



## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
EXCELSOFT TECHNOLOGIES PRIVATE LIMITED.**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

I have audited the accompanying standalone financial statements of **EXCELSOFT TECHNOLOGIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the standalone financial statements under the provisions of the Act, and the Rules there under, and I am fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.



*[Handwritten signature]*

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's information but does not include the standalone financial statements and the auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

My objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

I communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I had identified during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, I give in the “**Annexure A**” statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.




2. As required by Section 143(3) of the Act, I report that:
- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In my opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in “**Annexure B**”. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - g) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company, since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly reporting under Section 197(16) is not applicable.
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me:
    - i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B.N.C & CO.,**  
Chartered Accountants  
ICAI Firm Registration No.: 08188S

  
**(B. N. CHANDRASHEKAR)**

Proprietor

Membership No. 203078

UDIN: 21203078AAAAC66996



Place: Mysuru

Date: 23-12-2021

## “ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2020, I report that:**

1. In respect of the Company’s fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in my opinion, provides for physical verification of all the fixed assets at reasonable intervals, According to the information and explanations given to me, no material discrepancies were notified on such verification.
  - c) According to the information and explanations given to me and the records examined by me and based on the examination of the conveyance deed provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
2. The Company is Service Company, mainly rendering Information Technology Services. Accordingly it does not hold any Physical Inventories. Therefore, paragraph 3 (ii) of the Order is not applicable to the Company.
3. The Company has not granted either unsecured or secured loans to Companies listed/covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly sub paragraphs(a), (b) and (c) of paragraph 3 (iii) of the Order is not applicable to the Company.
4. In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.




5. During the year the Company has not accepted any public deposits (other than from shareholders which are within the limits prescribed) in accordance with the Section 73 to 76 of the Act or any other relevant provision of the Act. Therefore, the provision of the clause 3 (v) of the Order are not applicable to the Company.
6. As informed to me, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the Company.
7. According to the information and explanations given to me, in respect of statutory dues;
  - (a) The Company has generally been regular in depositing undisputed statutory dues, and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of statutory dues and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) There are no statutory dues and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
8. In my opinion and according to the information and explanations given to me, the Company has borrowed loans from financial institutions, and there is no default made in repayment of the borrowed loans.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
10. Based on the audit procedures performed and the information and explanations given to me, I report that no Fraud on or by the Company has been noticed or reported during the year, nor have been informed of such case by the Management.
11. The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company, since the Company is not a public company as defined under section 2(71) of the Act. Hence, reporting under clause 3(xi) of the Order is not applicable.





12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, in my opinion, the company is not required to constitute audit committee under Section 177 of the Act.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to me, the Company has not entered into any non-cash transactions with Directors or Persons connected with him. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B.N.C & CO.,**  
Chartered Accountants  
ICAI Firm Registration No.: 08188S

  
**(B.N. CHANDRASHEKAR)**  
Proprietor  
Membership No. 203078  
UDIN: 21203078 AAAAC66996



Place: Mysuru  
Date: 23-12-2021

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of Excelsoft Technologies Private Limited of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

I have audited the internal financial controls over financial reporting of **M/s Excelsoft Technologies Private Limited** ("the Company") as of March 31, 2020 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



My audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. My audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and valuating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's Internal financial controls over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal financial controls over financial reporting are a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal financial controls over financial reporting of future periods are subject to the risk that the Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.N.C & CO.,**  
Chartered Accountants  
ICAI Firm Registration No.: 08188S

  
**(B. N. CHANDRASHEKAR)**

Proprietor  
Membership No. 203078  
UDIN: 21203078AAAACG6996



Place: Mysuru  
Date: 23-12-2021

**BALANCE SHEET AS AT MARCH 31, 2020**

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	5	295,455,658	321,211,551
(b) Right-of-use assets	6	2,097,747,617	-
(c) Capital work-in-progress		-	-
(d) Investment in property		-	-
(e) Goodwill		-	-
(f) Other intangible assets	8	1,067,499,699	475,660,450
(g) Intangible assets under development	7	111,270,924	316,920,387
(h) Biological assets other than bearer plants		-	-
(i) Financial assets			
(i) Investments	9	24,183,300	11,108,300
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others (to be specified)		-	-
(j) Deferred tax assets (net)		-	-
(k) Other non-current assets	10	161,299,979	1,244,164,713
<b>Total Non-current assets</b>		<b>3,757,457,177</b>	<b>2,369,065,401</b>
<b>(2) Current assets</b>			
(a) Inventories		-	-
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	11	298,076,212	241,511,883
(iii) Cash and cash equivalents	12	1,671,473	1,088,366
(iv) Bank balances other than (iii) above	13	50,076,947	2,817,625
(v) Loans		-	-
(vi) Unbilled revenue	14	25,739,428	402,281,683
(c) Current tax assets (Net)		-	-
(d) Other current assets	15	26,868,957	28,910,196
<b>Total Current assets</b>		<b>402,433,017</b>	<b>676,609,753</b>
<b>TOTAL ASSETS</b>		<b>4,159,890,194</b>	<b>3,045,675,154</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	16	15,936,420	15,936,420
(b) Other equity		2,092,965,167	2,218,893,049
<b>Total equity</b>		<b>2,108,901,587</b>	<b>2,234,829,469</b>



Standalone financial statements

**BALANCE SHEET AS AT MARCH 31, 2020**

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	1,105,429,764	111,474,115
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	18	92,267,624	79,353,332
(c) Deferred tax liabilities (Net)		85,656,400	-
(d) Other non-current liabilities		-	-
<b>Total Non current liabilities</b>		<b>1,283,353,788</b>	<b>190,827,447</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	577,954,644	496,275,081
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	20	6,709,074	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	58,501,475	38,740,735
(iii) Other financial liabilities	21	3,344,889	2,117,519
(b) Other current liabilities	22	102,575,264	64,550,491
(c) Provisions	23	18,549,473	18,334,412
(d) Current Tax Liabilities (Net)		-	-
<b>Total current liabilities</b>		<b>767,634,819</b>	<b>620,018,238</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,159,890,194</b>	<b>3,045,675,154</b>

This is the financial statements referred to in my report of even date  
for **B.N.C. & Co.**,  
Chartered Accountants

**(B.N.Chandrashekhar)**  
Proprietor  
Membership No 203078  
ICAI Firm Registration No. 081885

Place: Mysore  
Date: 23-12-2020

UDIN: 21203078AAAACG6996



for and on behalf of the Board

  
**M. H. Dhananjaya**  
Chairman  
DIN: 00423968

  
**D. Sudhanva**  
Managing Director  
DIN: 00423641

**Standalone financial statements**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue from operations	24	986,557,877	669,184,839
II	Other income	25	14,166,454	15,815,918
III	<b>Total Income (I+II)</b>		<b>1,000,724,331</b>	<b>685,000,757</b>
IV	<b>Expenses</b>			
	Cost of material consumed		-	-
	Purchase of stock-in-trade		-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
	Employee benefits expense	26	457,364,260	473,484,092
	Finance costs	27	125,441,351	59,963,858
	Depreciation and amortization expense	28	215,991,384	168,565,133
	Other expenses	29	168,449,633	147,904,595
	<b>Total expenses (IV)</b>		<b>967,246,628</b>	<b>849,917,678</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>33,477,703</b>	<b>(164,916,921)</b>
VI	<b>Exceptional items</b>			
	Impairment of investments in subsidiaries - Loss		-	60,969,425
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>33,477,703</b>	<b>(225,886,346)</b>
VIII	<b>Tax expense</b>			
	(1) Current tax		4,651,048	-
	(2) Deferred tax	39	88,390,393	-
IX	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(59,563,738)</b>	<b>(225,886,346)</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	<b>Profit/(loss) for the period (IX+XII)</b>		<b>(59,563,738)</b>	<b>(225,886,346)</b>
XIV	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(5,613,765)	80,345
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,561,749	-
	B (i) Items that will be reclassified to profit or loss			
	a) Deferred gains or losses on cash flow hedges		(1,227,370)	(562,758)
	b) Foreign currency translation reserve		(108,834)	(759,952)
	(ii) Income tax relating to items that will be reclassified to profit or loss		1,172,244	-
	<b>Total other comprehensive income</b>		<b>(4,215,976)</b>	<b>(1,242,365)</b>
XV	<b>Total comprehensive income for the period (XIII+XIV)(Comprising profit (loss) and other comprehensive income for the period)</b>		<b>(63,779,714)</b>	<b>(227,128,711)</b>



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**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2020	March 31, 2019
<b>XVI Earnings per equity share (for continuing operation)</b>			
Basic (in ₹)	31	(37.38)	(141.74)
Diluted(in ₹) (Paid up value per share)	31	(37.28) 10.00	(141.40) 10.00
<b>XVII Earnings per equity share (for discontinued operation)</b>			
Basic (in ₹)		0.00	0.00
Diluted(in ₹)		0.00	0.00
<b>XVIII Earnings per equity share(for discontinued &amp; continuing operations)</b>			
Basic (in ₹)		(37.38)	(141.74)
Diluted(in ₹)		(37.28)	(141.40)

**Significant accounting policies and notes attached form an integral part of the 1 - 40 financial statements**

This is the financial statements referred to in my report of even date  
**for B.N.C. & Co.,**  
 Chartered Accountants

**(B.N.Chandrashekhar)**  
 Proprietor  
 Membership No 203078  
 ICAI Firm Registration No. 08188S

Place: Mysore

Date: 23-12-2020

UDIN: 21203078AAAACG6996



for and on behalf of the Board

*M. H. Dhananjaya*  
**M. H. Dhananjaya**  
 Chairman  
 DIN: 00423968

*D. Sudhanva*  
**D. Sudhanva**  
 Managing Director  
 DIN: 00423641



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
<b>Net profit before taxation</b>	<b>(59,563,738)</b>	<b>(225,886,346)</b>
Adjustments to reconcile net profit to net cash from operating activities		
Income Tax Expenses	93,041,441	-
Depreciation and amortization Expenses	215,991,384	168,565,133
Impairment of goodwill on investments in subsidiaries - Loss	-	60,969,425
Finance costs	109,855,961	46,734,860
Impairment loss recognized / (reversed) under expected credit loss model	3,453,085	-
Interest income	(8,741,288)	(201,696)
Rental income	(5,321,104)	(4,686,480)
Exchange difference on items grouped under financing activities	15,585,390	13,228,998
(Profit)/Loss on Sale of Assets	-	68,888
<b>Operating profit before working capital changes</b>	<b>364,301,131</b>	<b>58,792,782</b>
<b>Movements in working capital</b>		
Trade receivables and unbilled revenue	(98,831,842)	182,400,585
Other financial assets and other assets	(50,377,955)	13,593,897
Trade payables	26,469,814	-
Other financial liabilities, other liabilities and provisions	45,431,529	(36,227,603)
Income tax paid	(4,651,048)	-
<b>Net cash from operating activities</b>	<b>282,341,629</b>	<b>218,559,661</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(3,090,586)	(21,624,879)
Internal capitalisation of intangible assets	(111,270,924)	(111,397,922)
Right-of-use assets	(1,077,067,856)	-
Long term loans & advances	-	1,112,849
Rental income	5,321,104	4,686,480
Interest received	1,415,201	201,696
Deposits with banks	(47,259,322)	(2,817,625)
<b>Net cash used in investing activities</b>	<b>(1,231,952,383)</b>	<b>(129,839,401)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	1,114,485,551	(50,712,385)
Repayment of borrowings	(54,435,729)	-
Interest paid	(109,855,961)	(59,963,858)
<b>Net cash used in financing activities</b>	<b>950,193,861</b>	<b>(110,676,243)</b>



*Standalone financial statements*

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>583,107</b>	<b>(21,955,983)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,088,366</b>	<b>23,044,349</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,671,473</b>	<b>1,088,366</b>
<b>Components of cash and cash equivalents</b>		
Balances with scheduled banks		
- in current accounts	1,671,391	1,050,513
Cash on hand	82	37,853
	<b>1,671,473</b>	<b>1,088,366</b>

This is the financial statements referred to in my report of even date for **B.N.C. & Co.,** Chartered Accountants

**(B.N.Chandrashekhar)**  
Proprietor  
Membership No 203078  
ICAI Firm Registration No. 08188S

Place: Mysore  
Date: 23-12-2020

UDIN : 21203078 AAAACG6996



for and on behalf of the Board

  
**M. H. Dhananjaya**  
Chairman  
DIN: 00423968

  
**D. Sudhanva**  
Managing Director  
DIN: 00423641

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity share capital	Reserves and surplus				Items of other comprehensive income		Total
		Securities premium	Employee stock option reserve	General reserve	Surplus in profit and loss account	Foreign currency translation reserve	Cash flow hedging reserve	
<b>Balance as at 1st April 2018</b>	15,936,420	42,369,980	2,546,500	137,410,886	2,263,694,394	-	2,446,021,760	
Loss for the year	-	-	-	-	(225,886,346)	-	(225,886,346)	
Interest hedging of previous year reclassified to profit and loss account	-	-	-	-	1,554,761	(1,554,761)	-	
Other comprehensive income/(losses)	-	-	-	-	80,345	(759,952)	(1,242,365)	
<b>Balance as at 31st March 2019</b>	<b>15,936,420</b>	<b>42,369,980</b>	<b>2,546,500</b>	<b>137,410,886</b>	<b>2,039,443,154</b>	<b>(759,952)</b>	<b>2,218,893,049</b>	
Balance as at 1st April 2019	15,936,420	42,369,980	2,546,500	137,410,886	2,039,443,154	(759,952)	2,218,893,049	
Adjustment on adoption of Ind AS 116 - Interest	-	-	-	-	7,239,290	-	7,239,290	
Adjustment on adoption of Ind AS 116 - Depreciation	-	-	-	-	(69,387,458)	-	(69,387,458)	
Interest hedging of previous year reclassified to profit and loss account	-	-	-	-	-	-	-	
Loss for the year	-	-	-	-	(59,563,738)	-	(59,563,738)	
Other comprehensive income/(losses)	-	-	-	-	(4,052,016)	132,862	(4,215,976)	
<b>Balance as at 31st March 2020</b>	<b>15,936,420</b>	<b>42,369,980</b>	<b>2,546,500</b>	<b>137,410,886</b>	<b>1,913,679,232</b>	<b>(627,090)</b>	<b>2,092,965,167</b>	

This is the financial statements referred to in my report of even date for **B.N.C. & Co.,** Chartered Accountants

for and on behalf of the Board



**(B.N.Chandrashekhara)**  
 Proprietor  
 Membership No 203078  
 ICAI Firm Registration No. 081885

**M. H. Dhananjaya**  
 Chairman  
 DIN: 00423968

**D. Sudhanva**  
 Managing Director  
 DIN: 00423641

Place: Mysore  
 Date: 23-12-2020

UDIN: 21203078AAAA696996

**Notes forming part of the Financial Statements****1 Company overview**

Excelsoft Technologies Private Limited (Excelsoft or the Company) provides innovative technology-based solutions in the education and e-learning space. The Company architects, designs and develops technology solutions and digital content and has established itself in a leadership position in the e-learning business. The Company's platforms – Saras (a learning and assessment technology framework), OpenPage (a digital interactive ebook ecosystem), CollegeSparc (a Student Success Products) and Education Enterprise Information Management System have been used by over 30 million users in more than 60 countries. The Company's learning design and content development practice is a process-driven model that delivers cost-effective, professionally developed content solutions for a wide spectrum of clients.

The Company is a Private Limited Company incorporated and domiciled in Mysore, Karnataka, India. As at March 31, 2020 the Pedanta Technologies Pvt Ltd is the holding company owns controlling stake of the company's equity along with its promoters.

**2 Basis of preparation**

These financial statements have been prepared in accordance with the Indian accounting standards referred to as Ind AS prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values or amortised cost at the end of the each accounting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**3 Use of estimates and judgements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize. Accounting estimates could change from period to period. Appropriate change in the estimates are made as the management becomes aware of the changes in the circumstance surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which the changes are made.

  
**Standalone financial statements**

**Notes forming part of the Financial Statements****Estimates of the uncertainties relating to global health pandemic COVID - 19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties to the Company, it has used the internal and external source of the information including credit reports and economic forecasts etc. Based on the current estimates and assumptions, the Company expects the carrying amount of these assets will be recovered. The impact of COVID - 19 on the Company's financial statements may differ from that estimate as at the date of approval of these financial statements.

The Company uses the following critical accounting estimates in preparation of its financial statements:

**a. Revenue recognition**

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed-price maintenance revenue is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contracts is recognized rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.



**Standalone financial statements**

**Notes forming part of the Financial Statements****b. Provision for income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**c. Property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**d. Other intangible assets**

The Company amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually.

**e. Employee benefits**

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

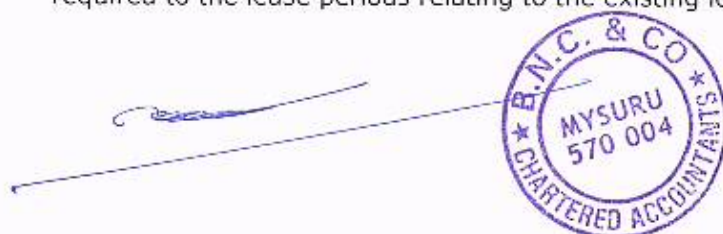
**f. Provisions and contingent liabilities**

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

**g. Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that it reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to the lease periods relating to the existing lease contracts



**Standalone financial statements**

## Notes forming part of the Financial Statements

**4 Significant accounting policies****i. Functional and presentation currency**

These financial statements are presented in Indian rupees, which is the functional currency of the Company.

**ii. Foreign currency transactions and translation****a. Transactions and balances**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**b. Foreign operations**

For the purpose of presenting financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

**iii. Financial instruments****A) Non-derivative financial instruments:**

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, lease liabilities and eligible current and non-current liabilities.

Non-derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

**a. Cash and cash equivalents:**

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.



**Standalone financial statements**

**Notes forming part of the Financial Statements**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks are considered part of the Company's cash management system. In the consolidated balance sheet, bank overdrafts are presented under borrowings within current liabilities.

**b. Other financial assets:**

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables, employee and other advances and eligible current and non-current assets.

**c. Trade payables and other payables:**

Trade payables and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

**B) Derivative financial instruments****Interest rate hedges**

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency and didn't hedge the foreign currency fluctuation risk.

The Company is also exposed to interest rate risk on borrowings from banks as interest changes based on floating interest rate. The Company hedged the interest rate risk on its foreign currency loan by entering in to hedging the interest rate risk.

Interest rate derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in consolidated statement of profit and loss as cost.

Subsequent to initial recognition, changes in the fair value are recognised in the other comprehensive income and held in cash flow hedging reserve, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the consolidated statement of profit and loss and reported as interest expenses.

**C) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



**Standalone financial statements**



**Notes forming part of the Financial Statements****iv. Property, plant and equipment****Recognition, measurement and depreciation**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided on pro-rata basis using the Straight Line method based on the useful life specified in the Schedule II to the Companies Act, 2013 or useful life as determined by the management considering the technical evaluation, business specific use and consumption pattern of the assets.

Subsequent expenditure related to Property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred.

**v. Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortizable intangible assets for the current and comparative periods are considered as (Customer-related software products) 10 years. (Comparative periods 5 years)

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software, and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

**Standalone financial statements**

**Notes forming part of the Financial Statements**

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

**vi. Impairment****a) Financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, unbilled receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate.

Loss allowances for trade receivables, unbilled receivables and contract assets are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to account risk profiling of customers and historical credit loss experience adjusted for forward looking information.

**b) Non-financial assets**

The Company assesses long-lived assets such as property, plant and equipment, right-of-use assets and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or Company of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets.

Goodwill is tested for impairment at least annually at the same time and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or Company's of cash -generating units which represents the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially. An impairment in respect of goodwill is not reversed.

**Standalone financial statements**

**Notes forming part of the Financial Statements****vii. Employee benefits****a. Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b. Provident fund**

Eligible employees of Excelsoft Technologies Private Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The monthly contributions is made to the government administered provident and pension fund. The rate at which the annual interest is payable to the beneficiaries is being administered by the government and the same is paid by the provident and pension fund.

**c. Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of Excelsoft Technologies Private Limited. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The effect of any plan amendments is recognized in the Statement of Profit and Loss.

**d. Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**viii. Share based payment transactions**

The Company has Employees Stock Option Scheme called "Excelsoft Employees Stock Option Scheme 2008" which was approved by the Board. Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102- Share based payments, issued by MCA. The Company measures compensation cost relating to employee stock options using intrinsic value method. Compensation expenses are amortized over the vesting period of the option on straight line basis.



**Standalone financial statements**

**Notes forming part of the Financial Statements**

The fair value of options granted under the Employees' Stock Option Scheme is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**ix. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

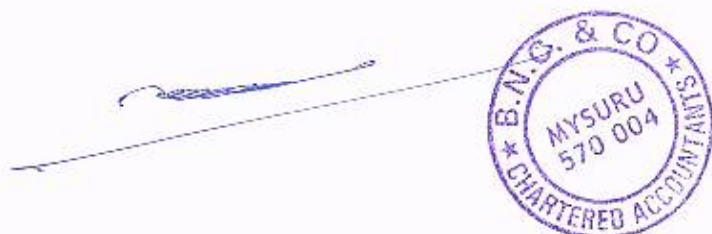
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

**x. Revenue recognition**

The Company derives revenues primarily from IT services comprising licensing of eLearning software products and platforms, software development and related services, maintenance, and licensing the educational learning material copy rights, Content and KPO services in eLearning and development. Contracts with customers are either on a time-and-material, unit-of-work, fixed-price or on a fixed-timeframe basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.



**Standalone financial statements**

**Notes forming part of the Financial Statements**

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit-of-work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized rateably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or rateably using a percentage-of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues). In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements : license, implementation and Annual Technical Services (ATS). When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Company uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized rateably on a straight line-basis over the period in which the services are rendered.



**Standalone financial statements**

**Notes forming part of the Financial Statements**

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Any capitalized contract costs are amortized, with the expense recognized as the Company transfers the related goods or services to the customer. The Company presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

**xi. Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates items directly recognized in equity or in other comprehensive income.

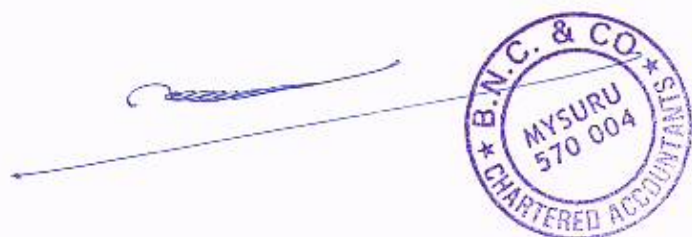
**a. Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

**b. Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in these financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



**Notes forming part of the Financial Statements**

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**xii. Finance costs**

Finance costs comprise interest cost on borrowings and lease liabilities, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

**xiii. Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial statements by the Board of Directors.

**xiv. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

**xv. Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, advance lease payment calculated at discounting the interest free lease deposit at interest rate implicit in the lease or incremental borrowing rate of the Company, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.



**Standalone financial statements**

**Notes forming part of the Financial Statements**

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

**The Company as a lessor**

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.





## Notes forming part of the Financial Statements

## 5. Property, plant and equipment

Gross block	Land	Buildings	Plant and equipment	Computer hardware	Furniture and fittings	Motor vehicles	Office equipments	Total
<b>Balance as at 01 April 2018</b>	<b>2,520,000</b>	<b>268,440,718</b>	<b>28,721,787</b>	<b>98,867,305</b>	<b>23,677,143</b>	<b>4,882,296</b>	<b>62,486,257</b>	<b>489,595,506</b>
Additions	19,770,683	-	43,095	456,027	-	-	531,506	20,801,312
Less: Disposals	-	-	-	-	-	1,377,770	-	1,377,770
<b>Balance as at 01 April 2019</b>	<b>22,290,683</b>	<b>268,440,718</b>	<b>28,764,882</b>	<b>99,323,332</b>	<b>23,677,143</b>	<b>3,504,526</b>	<b>63,017,763</b>	<b>509,019,048</b>
Additions	-	-	-	2,504,512	24,576	-	561,498	3,090,586
Less: Disposals	-	13,014,289	-	-	-	-	-	13,014,289
<b>Balance as at 31 March 2020</b>	<b>22,290,683</b>	<b>255,426,429</b>	<b>28,764,882</b>	<b>101,827,844</b>	<b>23,701,719</b>	<b>3,504,526</b>	<b>63,579,261</b>	<b>499,095,345</b>
<b>Accumulated depreciation/ impairment</b>								
<b>Balance as at 01 April 2018</b>	-	<b>13,900,482</b>	<b>15,160,784</b>	<b>87,293,386</b>	<b>16,889,006</b>	<b>3,393,686</b>	<b>32,482,271</b>	<b>169,119,615</b>
Depreciation charge for the year	-	4,701,174	2,058,885	5,036,891	1,751,996	316,003	6,131,815	19,996,764
Less: Disposals	-	-	-	-	-	1,308,882	-	1,308,882
<b>Balance as at 01 April 2019</b>	-	<b>18,601,656</b>	<b>17,219,669</b>	<b>92,330,277</b>	<b>18,641,002</b>	<b>2,400,807</b>	<b>38,614,086</b>	<b>187,807,497</b>
Depreciation and impairment **	-	14,978,423	1,937,013	4,248,642	1,429,978	316,868	5,935,555	28,846,479
Less: Disposals	-	13,014,289	-	-	-	-	-	13,014,289
<b>Balance as at 31 March 2020</b>	-	<b>20,565,790</b>	<b>19,156,682</b>	<b>96,578,919</b>	<b>20,070,980</b>	<b>2,717,675</b>	<b>44,549,641</b>	<b>203,639,687</b>
<b>Net block</b>								
Balance as at 31 March 2019	22,290,683	249,839,062	11,545,213	6,993,055	5,036,141	1,103,719	24,403,677	321,211,551
<b>Balance as at 31 March 2020</b>	<b>22,290,683</b>	<b>234,860,639</b>	<b>9,608,200</b>	<b>5,248,925</b>	<b>3,630,739</b>	<b>786,851</b>	<b>19,029,620</b>	<b>295,455,658</b>

\*\* Includes impairment of buildings on lease hold land to the extent of Rs. 1,05,70,644/- for the year 2019-20



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## Notes forming part of the Financial Statements

## 6.Right-of-use assets

<b>Gross block</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Balance as at 01 April 2019</b>	<b>603,727,688</b>	<b>546,121,617</b>	<b>1,149,849,305</b>
Additions	565,513,832	511,554,024	1,077,067,856
Disposals	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1,169,241,520</b>	<b>1,057,675,641</b>	<b>2,226,917,161</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 01 April 2019</b>	<b>36,431,843</b>	<b>32,955,615</b>	<b>69,387,458</b>
Depreciation for the year	31,388,548	28,393,538	59,782,086
Disposals	-	-	-
<b>Balance as at 31 March 2020</b>	<b>67,820,391</b>	<b>61,349,153</b>	<b>129,169,544</b>
<b>Net block</b>			
Balance as at 31 March 2019	567,295,845	513,166,002	1,080,461,847
<b>Balance as at 31 March 2020</b>	<b>1,101,421,129</b>	<b>996,326,488</b>	<b>2,097,747,617</b>

On April 1, 2019, the Group adopted Ind AS 116, Leases, which applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. On adoption of IND AS 116, Opening balance of interest free Lease deposit of Rs. 1,17,87,00,000/- has been discounted at 13% interest rate and arrived to present value of Rs. 2,88,50,695/- and considered as lease deposit. The balance amount Rs 1,14,98,49,305 of deposit is considered as right to use assets and capitalised. The retrospective depreciation impact on right to use assets Rs.6,93,87,458/- adjusted in opening retained earnings.

## 7.Intangible assets under development

<b>Cost</b>	<b>Intangible assets under development</b>
<b>Balance as at 01 April 2018</b>	<b>334,394,828</b>
Additions	115,092,888
Less: Capitalised	132,567,329
<b>Balance as at 01 April 2019</b>	<b>316,920,387</b>
Additions	111,270,924
Less: Capitalised	316,920,387
<b>Balance as at 31 March 2020</b>	<b>111,270,924</b>





Standalone financial statement:

## Notes forming part of the Financial Statements

## 8. Goodwill other intangible assets

Gross block	Customer related software products	Other computer software	Total
<b>Balance as at 01 April 2018</b>	<b>831,821,914</b>	<b>167,931,947</b>	<b>999,753,861</b>
Additions	132,567,329	823,567	133,390,896
Reclassification to exchange	-	-	-
<b>Balance as at 01 April 2019</b>	<b>964,389,243</b>	<b>168,755,514</b>	<b>1,133,144,757</b>
Additions	719,202,068	-	719,202,068
Disposals	211,505,380	-	211,505,380
<b>Balance as at 31 March 2020</b>	<b>1,472,085,931</b>	<b>168,755,514</b>	<b>1,640,841,445</b>
<b>Accumulated amortisation / impairment</b>			
<b>Balance as at 01 April 2018</b>	<b>349,793,359</b>	<b>155,427,613</b>	<b>505,220,972</b>
Amortisation	145,456,744	6,806,591	152,263,335
<b>Balance as at 01 April 2019</b>	<b>495,250,103</b>	<b>162,234,204</b>	<b>657,484,307</b>
Amortisation and impairment **	123,367,775	3,995,044	127,362,819
Disposals	211,505,380	-	211,505,380
<b>Balance as at 31 March 2020</b>	<b>407,112,498</b>	<b>166,229,248</b>	<b>573,341,746</b>
<b>Net block</b>			
Balance as at 31 March 2019	469,139,140	6,521,310	475,660,450
<b>Balance as at 31 March 2020</b>	<b>1,064,973,433</b>	<b>2,526,266</b>	<b>1,067,499,699</b>

\*\* Includes impairment of intangible assets to the extent of Rs. 46,77,084/- for the year 2019-20



## Notes forming part of the Financial Statements

## 9 . Non current investments

	Name of the company	No of shares	Face value	As at March 31, 2020 Amount	As at March 31, 2019 Amount
<b>a) Investments in equity instruments</b>					
<b>1)</b>	<b>Subsidiaries (Unquoted) Fully paid up</b>				
	Excelsoft Technologies Pte Ltd, Singapore	270,000	SGD 1	14,295,700	1,220,700
	Freedom to Learn Limited UK	20	GBP 1	1,526	1,526
	Excelsoft Technologies Inc, USA	1,600	USD 100	9,887,600	9,887,600
	Meteor Online Learning Ltd, UK - Fully paid up 'A' Ordinary shares of GBP 1 each	1,000	GBP 1	60,967,899	60,967,899
	- Fully paid up 'B' Ordinary shares of GBP 1 each	1,150,907	GBP 1		
	<b>Impairment of investments in subsidiaries</b>			<b>85,152,725</b>	<b>72,077,725</b>
	Freedom to Learn Limited UK			1,526	1,526
	Meteor Online Learning Ltd, UK			60,967,899	60,967,899
				<b>60,969,425</b>	<b>60,969,425</b>
	<b>Total</b>			<b>24,183,300</b>	<b>11,108,300</b>

10 . Other non current assets  
(unsecured and considered good)

- a) Advance tax (including refunds receivable) (net)  
b) Security deposits

	As at March 31, 2020	As at March 31, 2019
a) Advance tax (including refunds receivable) (net)	75,507,872	57,810,318
b) Security deposits	85,792,107	1,186,354,395
	<b>161,299,979</b>	<b>1,244,164,713</b>

Security deposit includes the amount Rs. 7,97,58,918 (in 2018-19; 1,17,87,00,000) relating to lease deposit paid to holding company, Pedanta Technologies Pvt Ltd on lease of land and building.

## 11 . Trade receivables

- a) Trade receivables exceeding six months  
b) others

Less: Allowance for doubtful receivables

	As at March 31, 2020	As at March 31, 2019
a) Trade receivables exceeding six months	65,467,768	179,706,633
b) others	252,671,740	176,098,672
	318,139,508	355,805,305
Less: Allowance for doubtful receivables	20,063,296	114,293,422
	<b>298,076,212</b>	<b>241,511,883</b>



Standalone financial statements

## Notes forming part of the Financial Statements

## Additional information

## 1) Breakup of trade receivables

- a) Secured, considered good  
b) Unsecured, considered good  
c) Doubtful
- Less: Allowance for doubtful receivables

As at March 31, 2020	As at March 31, 2019
-	-
298,076,212	241,511,883
20,063,296	114,293,422
318,139,508	355,805,305
20,063,296	114,293,422
<b>298,076,212</b>	<b>241,511,883</b>

## 2) Related party balance break up

- a) Enterprises over which key management personnel and their relatives are able to exercise significant influence
- b) Amounts due by private companies in which directors of the Company are directors

56,349,905	75,184,586
-	342,200

## 12 . Cash and cash equivalents

- a) Balances with banks  
- in current accounts  
b) Cash on hand

As at March 31, 2020	As at March 31, 2019
1,671,391	1,050,513
82	37,853
<b>1,671,473</b>	<b>1,088,366</b>

## 13 . Cash and cash equivalents

- a) Balances with banks  
- in earmarked balances

As at March 31, 2020	As at March 31, 2019
50,076,947	2,817,625
<b>50,076,947</b>	<b>2,817,625</b>

## 14 . Unbilled revenue

- a) Unbilled revenue

As at March 31, 2020	As at March 31, 2019
25,739,428	402,281,683
<b>25,739,428</b>	<b>402,281,683</b>

## 15 . Other current assets

- a) Interest receivable  
b) Other advances  
c) Prepaid expenses  
d) Employee advances

As at March 31, 2020	As at March 31, 2019
245,960	96,213
12,312,565	16,479,356
14,115,009	12,149,650
195,423	184,977
<b>26,868,957</b>	<b>28,910,196</b>



Standalone financial statements

## Notes forming part of the Financial Statements

## 16 . Share capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>1 Authorised</b>				
Equity shares of ₹ 10/- each	3,000,000	30,000,000	3,000,000	30,000,000
	3,000,000	30,000,000	3,000,000	30,000,000
<b>2 Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each	1,593,642	15,936,420	1,593,642	15,936,420

## a. Reconciliation of number of shares outstanding at the beginning and at the end of the year

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	1,593,642	15,936,420	1,593,642	15,936,420
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,593,642</b>	<b>15,936,420</b>	<b>1,593,642</b>	<b>15,936,420</b>

## b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

## c. Particulars of equity share holders holding more than 5% of the total number of equity share capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
i D. Sudhanva	523,035	32.82%	523,035	32.82%
ii M. H. Dhananjaya	128,747	8.08%	128,747	8.08%
iii Lajwanti Sudhanva	192,725	12.09%	192,725	12.09%
iv Pedanta Technologies Pvt Ltd	707,416	44.39%	707,416	44.39%

## Non - current liabilities

## 17 . Borrowings

## Secured loans

- a) Loans repayable on demand
- from banks
  - from financial institutions

As at March 31, 2020	As at March 31, 2019
72,623,776	111,474,115
1,032,805,988	-
<b>1,105,429,764</b>	<b>111,474,115</b>



*Standalone financial statement.*

## Notes forming part of the Financial Statements

**Details of security for secured loans**

Working capital loans from HDFC Bank Limited are secured by an exclusive charge on all the current assets and movable fixed assets of the Company, secondary charge on Equitable Mortgage of Rs. 63 Crores on Land and Building held by the Company and Holding company and personal guarantee of Mr.Sudhanva (Director of the Company). Repayable in 60 monthly installment. No default in repayment of installment

As at March 31, 2020	As at March 31, 2019
1,105,429,764	111,474,115

**18 . Provisions**

- a) For employee compensatory absences  
b) For employee defined benefit plans

As at March 31, 2020	As at March 31, 2019
15,541,028	14,184,908
76,726,596	65,168,424
<b>92,267,624</b>	<b>79,353,332</b>

**Current liabilities****19 . Borrowings****I) Secured loans**

- a) Loans repayable on demand from banks  
- Working capital limit  
- Current maturity of long term borrowings  
  
- from Banks  
  
- from financial institutions

**Details of security for secured loans**

Working capital loans from HDFC Bank Limited are secured by an exclusive charge on all the current assets and movable fixed assets of the Company, secondary charge on Equitable Mortgage of Rs. 63 Crores on Land and Building held by the Company and Holding company and personal guarantee of Mr.Sudhanva (Director of the Company).

**II) Unsecured loans**

- a) Loans from directors

As at March 31, 2020	As at March 31, 2019
483,676,073	425,637,610
54,467,747	50,678,639
12,500,000	-
27,310,824	19,958,832
<b>577,954,644</b>	<b>496,275,081</b>

**20 . Trade payables**

- a) Total outstanding dues of micro and small enterprises  
  
b) Total outstanding dues other than micro and small enterprises

As at March 31, 2020	As at March 31, 2019
6,709,074	-
58,501,475	38,740,735
<b>65,210,549</b>	<b>38,740,735</b>

**21 . Other financial liabilities****Derivatives**

Interest rate swap

As at March 31, 2020	As at March 31, 2019
3,344,889	2,117,519
<b>3,344,889</b>	<b>2,117,519</b>



*Standalone financial statement.*

## Notes forming part of the Financial Statements

**22 . Other current liabilities**

- a) Statutory dues  
b) Employee benefits payable  
c) Others  
d) Interest Payable

As at March 31, 2020	As at March 31, 2019
27,777,712	18,516,781
38,289,177	35,312,519
2,152,759	10,721,191
34,355,616	-
<b>102,575,264</b>	<b>64,550,491</b>

**23 . Provisions**

- a) Provision for short term compensated absences  
b) Provision for Gratuity

As at March 31, 2020	As at March 31, 2019
4,485,155	5,261,618
14,064,318	13,072,794
<b>18,549,473</b>	<b>18,334,412</b>

**24 . Revenue from operations**

- a) Software sales and services  
- Sale of services  
- Sale of software license

Year ended March 31, 2020	Year ended March 31, 2019
686,252,986	588,109,091
300,304,891	81,075,748
<b>986,557,877</b>	<b>669,184,839</b>

**25 . Other income**

- a) Interest income  
b) Miscellaneous income  
c) Rental income  
d) Exchange gain / (loss) (net)

Year ended March 31, 2020	Year ended March 31, 2019
8,741,288	201,696
104,062	3,920,828
5,321,104	4,686,480
-	7,006,914
<b>14,166,454</b>	<b>15,815,918</b>

**26 . Employee benefit expenses**

- a) Salaries, wages and bonus  
b) Contribution to provident and other funds  
c) Gratuity  
d) Staff welfare expenses

Year ended March 31, 2020	Year ended March 31, 2019
424,922,763	440,201,294
11,774,035	14,931,185
13,586,616	14,807,088
7,080,846	3,544,525
<b>457,364,260</b>	<b>473,484,092</b>

**27 . Finance costs**

- a) Interest Expense  
b) Exchange loss (attributable to finance costs)

Year ended March 31, 2020	Year ended March 31, 2019
109,855,961	46,734,860
15,585,390	13,228,998
<b>125,441,351</b>	<b>59,963,858</b>

**28 . Depreciation and amortization**

- a) Depreciation  
b) Amortization of intangible assets

Year ended March 31, 2020	Year ended March 31, 2019
88,628,565	16,301,798
127,362,819	152,263,335
<b>215,991,384</b>	<b>168,565,133</b>



*Standalone financial statement:*



## Notes forming part of the Financial Statements

## 29 . Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
a) Software development and license charges	57,160,552	48,861,316
b) Service rendered by business associates and others	24,296,565	26,136,278
c) Information and communication expenses	3,474,778	3,485,600
d) Travelling and conveyance expenses		
Overseas	15,429,759	11,589,464
Domestic	2,889,675	3,363,053
e) Rent	9,476,492	7,810,148
f) Legal and professional fees	6,045,014	1,650,161
g) Payment to auditors		
Statutory audit	225,000	177,500
Other services	-	-
h) Maintenance and upkeep		
Building	5,152,715	3,513,213
Office and computer equipment	1,768,300	766,641
Others	2,272,303	2,230,329
i) Electricity and water expenses	8,194,855	6,679,669
j) Recruitment and training expenses	457,627	320,532
k) Printing and stationary	281,373	218,555
l) Insurance	595,137	415,034
m) Rates and taxes	577,927	707,819
n) Business promotion expenses	4,034,744	3,553,309
o) Bad debts written off	-	-
p) Provision for bad debts	3,453,085	20,545,541
q) Exchange gain / (loss) (net)	16,028,260	-
r) Profit / (loss) on sale of property, plant and equipment	-	68,888
s) Other expenses	6,635,472	5,811,545
	<b>168,449,633</b>	<b>147,904,595</b>

## 30 . Additional Information

	Year ended March 31, 2020	Year ended March 31, 2019
<b>a) Expenditure in foreign currency (net of withholding tax)</b>		
i) Foreign travel and business promotion expenses	7,781,975	5,796,936
ii) Commission	17,261,012	42,932,693
iii) Professional charges	1,586,213	2,733,299
iv) Branch office expenses	4,167,111	3,470,344
v) Software license fee	-	1,044,601
	<b>30,796,311</b>	<b>55,977,873</b>
<b>b) Earnings in foreign exchange</b>		
i) Software exports and consultancy	769,204,368	559,872,971
	<b>769,204,368</b>	<b>559,872,971</b>



*Standalone financial statement.*

## Notes forming part of the Financial Statements

## 31 . Earnings per equity share

	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year after tax expense	(59,563,738)	(225,886,346)
Weighted average number of equity shares for basic EPS	1,593,642	1,593,642
<b>Effect of dilution</b>		
Share options	3,910	3,910
Weighted average number of equity shares adjusted for dilution	1,597,552	1,597,552
Paid up value per share	10	10
Earnings per share basic	(37.38)	(141.74)
Earnings per share diluted	(37.28)	(141.40)

## 32 . Disclosures as per IND AS 19 "Employee benefits"

## a) Defined contribution plan

Contribution to defined contribution plan are recognized as expense for the year are as under

	Year ended March 31, 2020	Year ended March 31, 2019
Employer's contribution to provident & pension funds	13,720,165	12,765,662

## b) Defined benefit plan

The employees' gratuity fund scheme and leave encashment are defined benefit plans.

The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

## 1 Reconciliation of opening and closing balances of defined benefit obligation

	Year ended March 31, 2020	Year ended March 31, 2019
Defined benefit obligation at beginning of the year	78,241,218	76,504,628
Current service cost (*)	8,423,869	9,446,894
Past service cost	-	-
Interest cost	5,162,747	5,360,194
Actuarial (gain)/ loss	5,613,765	(3,345,943)
Benefits paid	(6,650,685)	(9,724,555)
Defined benefit obligation at end of the year	90,790,914	78,241,218

## 2 Reconciliation of opening and closing balance of fair value of plan assets

	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	6,650,685	9,724,555
Benefits paid	(6,650,685)	(9,724,555)
Actuarial gain/(loss)	-	-
Fair value of plan assets at year end	-	-
<b>Reconciliation of fair value of assets and</b>		
Fair value of plan assets	-	-
<b>Present value of obligation</b>	90,790,914	78,241,218
Amount recognized in balance sheet under liabilities	90,790,914	78,241,218



## Notes forming part of the Financial Statements

**3 Expense recognized during the year: (under "Note 32" "Employee benefit expenses" in the statement of profit and loss)**

	Year ended March 31, 2020	Year ended March 31, 2019
<b>In income statement</b>		
Current service cost	8,423,869	9,446,894
Past service cost	-	-
Interest cost	5,162,747	5,360,194
Expected return on plan assets	-	-
<b>In other comprehensive income</b>		
Actuarial (gain)/ loss	5,613,765	(3,345,943)
<b>Net cost</b>	<b>19,200,381</b>	<b>11,461,145</b>

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Actuarial assumptions</b>		
Mortality table	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)
Discount rate (per annum)	6.45%	7.20%
Expected rate of return on plan assets (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**Sensitivity analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

Particulars	March 31, 2020	
	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	87,872,995	93,425,753
Change in rate of salary increase (delta effect of +/- 0.5%)	93,894,078	88,244,232

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

**Longevity risk** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.


  
**Standalone financial statement:**

## Notes forming part of the Financial Statements

**Salary risk** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## 33 . Segment reporting

As per Ind AS 108 on " Operating Segments ", segment information has been provided

Geographic segments	Revenue for the year ended March 31, 2020	Segment debtors as at March 31, 2020
India	117,019,227 <i>109,311,851</i>	91,525,528 <i>110,832,980</i>
North America	586,605,896 <i>522,159,964</i>	112,307,138 <i>107,179,319</i>
Europe	1,093,117 <i>313,143</i>	343,044 <i>11,126,944</i>
Asia other than	207,094,736 <i>(68,731,249)</i>	88,226,405 <i>86,098,218</i>
Other countries	74,744,901 <i>106,131,130</i>	25,737,393 <i>40,567,844</i>
<b>Total</b>	<b>986,557,877</b> <i>669,184,839</i>	<b>318,139,508</b> <i>355,805,305</i>

*Previous year figures are in italic*

## 34 . Related party transaction

## a) Name of related parties and description of relationship where controls exists

Name of the Related Party	Relationship
1 Mr. M. H. Dhananjaya Mr. D. Sudharva Mrs Lajwanti Sudharva	Key Management Personnel ("KMP")
2 Pedanta Technologies Pvt Ltd	Holding Company
3 Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence
4 Excelsoft Technologies Pte Ltd Singapore (formerly known as Imfinity Pte. Ltd) Freedom to Learn Limited UK Meteor Online Learning Ltd, UK Excelsoft Technologies Inc, USA	Wholly owned Subsidiary ("WOS")
5 Enhanced Education Pvt Ltd	Key Management Personnel are directors of the company
6 Mr Adarsh M S	Relative of a Director
7 Mrs. Shruthi Sudharva	Relative of a Director



Standalone financial statement:

## Notes forming part of the Financial Statements

## b) Transactions with the related parties

Particulars	Relationship	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale of software service and learning solutions</b>			
Excelsoft Technologies Pte Ltd Singapore	Wholly Owned Subsidiary	56,485,617	20,593,277
Excelsoft Technologies Inc, USA		149,342,634	153,647,951
Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence	42,692,400	35,145,000
Enhanced Education Pvt Ltd	Key management personal is director of the company	345,268	3,103,400
Excel Public School Hootagalli (A Unit of SMCK Edukate LLP)	Enterprises over which key management personnel and their relatives are able to exercise significant influence	2,186,941	-
<b>Purchase of marketing services</b>			
Excelsoft Technologies Inc, USA	Wholly Owned Subsidiary	-	9,345,269
<b>Reimbursement of project expenses</b>			
Excelsoft Technologies Inc, USA	Wholly Owned Subsidiary	-	-
Excelsoft Technologies Pte Ltd Singapore		2,600,183	7,719,675
<b>Rent income</b>			
Excel Education and E-Learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence	6,278,903	4,686,480
<b>Remuneration paid</b>			
Mr. M H Dhananjaya		5,400,000	5,400,000
Mr. D Sudhanva		11,987,760	11,987,760
Mrs. Shruthi Sudhanva	(Employed in the ordinary course of Business. Remuneration includes contribution to recognised funds.)	1,521,600	1,521,600
Mr Adarsh M S	Relative of a Director	2,259,460	-
<b>Rent and maintenance expenses</b>			
Mr. M H Dhananjaya	KMP	336,936	336,936
Mr. D Sudhanva		336,936	336,936
<b>Lease deposit and Right-of-use assets</b>			
Pedanta Technologies Pvt Ltd	Holding Company	1,113,410,702	-



Standalone financial statement:

## Notes forming part of the Financial Statements

Particulars	Relationship	Year ended March 31, 2020	Year ended March 31, 2019
<b>Loan from directors</b>			
Prof. M H Dhananjaya	KMP	-	14,000,000
Mr. D. Sudhanva		34,275,842	73,000,000
Mrs Lajwanti Sudhanva		-	30,000,000
<b>Loan repayment to directors</b>			
Prof. M H Dhananjaya	KMP	-	14,000,000
Mr. D. Sudhanva		21,623,850	68,341,168
Mrs Lajwanti Sudhanva		5,300,000	74,700,000

## c) Outstanding balances at the end of the year - Receivable

Particulars	Relationship	As at March 31, 2020	As at March 31, 2019
Excelsoft Technologies Pte Ltd Singapore	Wholly owned Subsidiary ("WOS")	25,625,878	12,026,309
Freedom to Learn Ltd UK		21,684,167	21,720,542
Meteor Online Learning Ltd		-	-
Excelsoft Technologies Inc, USA		31,821,022	16,693,133
Pedanta Technologies Pvt Ltd	Holding Company	79,758,918	1,178,700,000
Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence	56,349,905	41,471,100

## d) Outstanding balances at the end of the year - Payable

Particulars	Relationship	As at March 31, 2020	As at March 31, 2019
Mr. M. H. Dhananjaya	Key Management Personnel("KMP")	-	303,242
Mr. D. Sudhanva		12,651,992	14,962,074
Mrs Lajwanti Sudhanva		-	5,300,000
Excel Public School Hootagalli (A Unit of SMCK Edukate LLP)	Enterprises over which key management personnel and their relatives are able to exercise significant influence	152,659	-
Desiadda Crafts Works LLP		146,027	-



Standalone financial statement:

## Notes forming part of the Financial Statements

**35 . Financial risk management objectives and policies**

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

**a Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2020 and March 31, 2019

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

**i. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2020 are as under

Particulars	As at March 31, 2020		As at March 31, 2019	
	FCY	Amount ₹	FCY	Amount ₹
Assets (Receivables)				
USD	8,348,479	591,050,361	7,857,252	333,974,788
GBP	719,915	64,920,992	3,171,369	66,582,785
AUD	469,290	22,802,276	394,864	19,884,097
SGD	774,166	39,970,741	-	-
AED	925,516	18,201,097	90,000	869,400
EUR	6,957	539,119	2,925	235,253
MYR	271,103	4,566,232	570,421	7,848,417
SAR	1,455,302	27,153,549	-	-
Liabilities (Payables)	-	-	-	-



Standalone financial statements

## Notes forming part of the Financial Statements

## 36 . Employee stock-option scheme

The Company formulated employee stock option plan "ESOS 2008" in April 2009 which covers employees of the Company including its wholly owned subsidiary. The scheme was approved by the board of directors of the Company on 24.02.2009 and administered by it. As per the scheme, based on the eligible criteria, as decided by the board from time to time, employee shall be granted stock option entitling one equity share of Rs 10 for each option in the Company's equity share capital.

The options shall be granted in tranches vesting over the period subject to time and performance linked conditions at different exercised price to different tranches. The details of the scheme as given below

	Grant 1	Grant 2	Grant 3	Grant 4
Options granted	24,374	14,500	7,500	4,700
Exercise price	600	50	250	2,572
Date on which options will vest to the participant of the scheme				
02-Apr-2009	5,121	3,860	-	-
02-Apr-2010	8,018	-	1,500	-
02-Apr-2011	5,619	2,128	2,250	-
01-Jan-2012	-	-	-	400
02-Apr-2012	5,616	3,196	3,750	-
01-Jan-2013	-	-	-	600
02-Apr-2013	-	5,316	-	200
01-Jan-2014	-	-	-	1,000
02-Apr-2014	-	-	-	775
02-Apr-2015	-	-	-	1,025
02-Apr-2016	-	-	-	700
Period within which option will be exercised	5 years from the date of vesting	5 years from the date of vesting	7 years from the date of grant	5 years from the date of vesting





## Notes forming part of the Financial Statements

## Employee stock option activity under the scheme ESOS 2008

	Exercise price	March 31, 2020		March 31, 2019	
		Shares arising out of option	Weighted average remaining contractual term (in months)	Shares arising out of option	Weighted average remaining contractual term (in months)
Outstanding at the beginning of the year	50 2,572	3,410 500	- 9	4,210 900	- 19
Granted during the period	50 2,572	- -	- -	- -	- -
Forfeited during the year	50 2,572	- -	- -	800 400	- -
Exercised during the year	50 2,572	- -	- -	- -	- -
Outstanding at the end of the year	50 2,572	3,410 500	- -	3,410 500	- 9
Exercisable at the end of the year	50 2,572	3,410 500	- -	3,410 500	- 9

## 37 . Contingent Liabilities (to the extent of which not provided for)

Particulars	March 31, 2020	March 31, 2019
Bank Guarantee	2,830,473	2,787,515

- 38 . As per the information available with the company, the amount payable to the micro enterprises and small enterprises are to the extent of Rs. 67,09,074/- (previous year Nil). The said payable are not beyond 45 days.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 39 . Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.




Standalone financial statement

## Notes forming part of the Financial Statements

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets / (liabilities) in relation to	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	-	142,430,511	(142,430,511)
Provision for employee benefits	32,391,065	-	32,391,065
Cash flow hedges	930,548	-	930,548
Receivables, financial assets at amortised cost	5,581,609	-	5,581,609
MAT credit entitlement	4,651,048	-	4,651,048
Others	17,307,715	4,087,874	13,219,841
<b>Total</b>	<b>60,861,985</b>	<b>146,518,385</b>	<b>(85,656,400)</b>

40 . All figures have been rounded-off to the nearest Rupee. Previous Year's figures have been re-grouped/reclassified wherever necessary to confirm to the current year presentation.

This is the financial statements referred to in my report of even date  
for **B.N.C. & Co.,**  
Chartered Accountants

  
**(B.N. Chandrashekhar)**  
Proprietor  
Membership No 203078  
ICAI Firm Registration No. 08188S

Place: Mysore  
Date: 23-12-2020

UDIN: 21203078AAAAC66996

for and on behalf of the Board

  
**M. H. Dhnananjaya**  
Chairman  
DIN: 00423968

  
**D. Sudhanva**  
Managing Director  
DIN: 00423641

