

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IIJT Education Private Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of IIJT Education Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016, on its financial position in its financial statements – Refer Note 23;



# Price Waterhouse Chartered Accountants LLP

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- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/ N500016  
Chartered Accountants



Arvind Daga  
Partner  
Membership Number: 108290

Place: Bangalore  
Date: May 23, 2016

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements for the year ended March 31, 2016

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## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of IIJT Education Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. 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 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 its business, including adherence to 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 evaluating 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of ILJT Education Private Limited on the financial statements for the year ended March 31, 2016

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### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is 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 control over financial reporting includes 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

7. 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 to future periods are subject to the risk that the internal financial control 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/ N500016  
Chartered Accountants



Arvind Daga  
Partner  
Membership Number: 108290

Place: Bangalore  
Date: May 23, 2016

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements as of and for the year ended March 31, 2016

- i. The Company doesn't have any fixed asset. Therefore, the provisions of Clause 3(i) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income Tax, Service Tax and Professional Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2,284,370	Assessment Year 2011-12	CIT (Appeals)
Income Tax Act, 1961	Income Tax	960,076	Assessment Year 2013-14	CIT (Appeals)
Kolkata Municipal Corporation Act, 1880	Property Tax	3,416,100	October 01, 2014 to March 31, 2016	The High Court of Calcutta



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements for the year ended March 31, 2016

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- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any monies by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid or provided for managerial remuneration during the year. Accordingly the said of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/ N500016  
Chartered Accountants



Arvind Daga  
Partner  
Membership Number: 108290

Place: Bangalore  
Date: May 23, 2016

**IIJT EDUCATION PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2016**

	Note	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	80,000,000	80,000,000
Reserves and Surplus	4	(65,798,653)	(70,942,809)
<b>Current Liabilities</b>			
Short Term Borrowings	5	12,760,574	19,206,426
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6	341,048	169,748
Other Current Liabilities	7	2,679,802	2,454,430
Short Term Provisions	8	33,396	33,396
<b>Total</b>		<b>30,016,167</b>	<b>30,921,191</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		-	-
Intangible Assets		-	-
Long term Loans and Advances	10	3,310,630	3,534,550
Other Non Current Assets	11	-	-
<b>Current Assets</b>			
Trade Receivables	12	20,235	355,519
Cash and Bank Balances	13	3,879,754	4,155,283
Short Term Loans and Advances	14	593,351	581,123
Other Current Assets	15	22,212,197	22,294,716
<b>Total</b>		<b>30,016,167</b>	<b>30,921,191</b>

Significant Accounting Policies 2  
The accompanying notes are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016

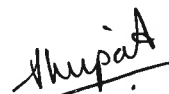


**Arvind Daga**  
Partner  
Membership No: 108290

**For and on behalf of the Board of Directors**



**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814



**Shilpa Avarsekar**  
Director  
DIN: 00005597



**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016



**IIJT EDUCATION PRIVATE LIMITED****Statement of Profit and Loss for the year ended March 31, 2016**

	Note	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>Revenue</b>			
Other Income	16	6,959,644	4,614,195
<b>Total Revenue</b>		<b>6,959,644</b>	<b>4,614,195</b>
<b>Expenses</b>			
Employee Benefits Expense	17	430,400	469,538
Depreciation Expense	18	-	401,927
Other Expenses	19	1,385,088	2,816,675
<b>Total Expenses</b>		<b>1,815,488</b>	<b>3,688,140</b>
Profit before Tax		<b>5,144,156</b>	<b>926,055</b>
Tax Expense		-	-
Profit for the year		<b>5,144,156</b>	<b>926,055</b>
Earnings Per Equity Share (Nominal Value per Equity share - Rs 10) Basic and Diluted	20	<b>0.64</b>	<b>0.12</b>

Significant Accounting Policies 2  
The accompanying notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016



**Arvind Daga**  
Partner  
Membership No: 108290

**For and on behalf of the Board of Directors**



**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814



**Shilpa Avarsekar**  
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Place : Bangalore  
Date : May 23, 2016

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**IIJT EDUCATION PRIVATE LIMITED**

**Cash Flow Statement for the year ended March 31, 2016**

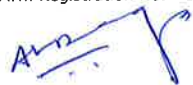
	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>A Cash flow from operating activities:</b>		
Net profit before tax	5,144,156	926,055
<b>Adjustments for :</b>		
Depreciation expense	-	401,927
Interest on Fixed Deposits	(43,400)	(86,663)
Provision for doubtful debts no longer required written back	(2,696,652)	(238,480)
Sundry balances no longer required written back	(19,592)	(89,052)
Bad debts written off (less related provision for doubtful debts written back)	335,284	-
<b>Operating profit before working capital changes</b>	<b>2,719,796</b>	<b>913,787</b>
<b>Adjustment for changes in working capital:</b>		
(Decrease) in other non-current liabilities	-	(2,100,000)
Increase / (Decrease) in trade payables	171,300	(156,739)
Increase in other current liabilities	225,372	2,136,434
Decrease in long term loans and advances	480,260	979,872
Decrease in trade receivables	2,716,244	139,544
(Increase) in short term loans and advances	(12,228)	(462,220)
(Increase) in other current assets	-	(22,172,795)
Decrease / (Increase) in other bank balances	-	(28,830)
<b>Cash generated from / (used in) Operations</b>	<b>6,300,744</b>	<b>(20,750,947)</b>
Taxes (paid)	(256,340)	(271,086)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>6,044,404</b>	<b>(21,022,033)</b>
<b>B Cash flow from investing activities:</b>		
Proceeds from Fixed deposits	454,618	281,040
Interest received on fixed deposit	125,919	73,177
Reclassification from fixed asset to other current assets	-	22,172,795
<b>Net cash generated from investing activities (B)</b>	<b>580,537</b>	<b>22,527,012</b>
<b>C Cash flow from financing activities :</b>		
Repayment of short term borrowings	(6,445,852)	(1,281,925)
<b>Net cash (used in) financing activities (C)</b>	<b>(6,445,852)</b>	<b>(1,281,925)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>179,089</b>	<b>223,054</b>
Cash and cash equivalents at the beginning of the year	3,600,665	3,377,611
<b>Cash and cash equivalents at the end of the year</b>	<b>3,779,754</b>	<b>3,600,665</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on Hand	-	-
<u>Balances with Banks</u>		
In Fixed Deposit Accounts	-	-
In Current Accounts	3,779,754	3,600,665
<b>Cash and cash equivalents at the end of the year</b>	<b>3,779,754</b>	<b>3,600,665</b>

**Notes**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- Figures in the bracket indicate cash outgo / income.
- Previous year's figures have been regrouped and re-arranged wherever necessary to conform to the current period's classification.
- The accompanying notes are an integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016



**Arvind Daga**  
Partner  
Membership No: 108290

**For and on behalf of the Board of Directors**



**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814



**Shilpa Avaresekar**  
Director  
DIN: 00005597



**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016

# IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016.

## 1. General Information

IIJT Education Private Limited ("the Company") was incorporated to be in the business of imparting specialised vocation courses/training in three different formats viz. Retail Learning Solution, Corporate training and Institutional training Solutions. The Company is wholly owned subsidiary of TeamLease Services Limited ("TeamLease"). As at April 1, 2010 the Retail Learning Solution business of the Company was de-merged with TeamLease pursuant to an order of the Mumbai High court. With effect from April 1, 2012, the company divested the Corporate and Institutional Training Division (C&IT) Business to TeamLease.

## 2. Summary of Significant accounting policies

### a) Basis of preparation:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts Rules, 2014 till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation with and after examination of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply with all material aspects with the Accounting Standards notified under Section 211(3C) of the Companies (Accounting Standard) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

### b) Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which results are known or materialized.

### c) Tangible Assets:

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.



# IIJT Education Private Limited

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016.**

Items of fixed assets that have been retired from active use or held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the useful lives of the assets prescribed under Schedule II to the Companies Act, 2013. The residual value of all assets is assumed as zero based on historical trend of the Company. Leasehold Improvements are amortized over the period of lease. Assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

## **d) Intangible assets:**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are amortised on a straight line basis over their estimated future lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten year from the date when the asset is available for use is considered by the management. The amortization period and the amortization method are reviewed at each financial year end and if the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

## **e) Borrowing Costs:**

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

## **f) Impairment of Assets:**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash flows from other assets or groups of assets, is considered as a cash generating unit. If



# IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016.

any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its disposal at the end of its useful life. Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

## g) Foreign Currency Transactions:

On initial recognition, all transactions in foreign currencies are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

## h) Revenue Recognition:

### Other Income:

- Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Rental income is accounted on accrual basis as per the terms of the agreement. Rent equalization is considered only if the agreement is non-cancellable for more than one year and the incremental rent is fixed over the term of the agreement.
- Net Income excludes Service Tax and Value Added Tax (VAT).

## i) Employee Benefits:

### i. Provident Fund

Contribution as required by the Statute made to the Government Provident Fund is debited to the Statement of Profit and Loss. The Company has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions. Contributions to Provident Fund are made in accordance with the statute, and are recognised as an expense when employees have rendered services entitling them to the contributions.



# IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016.

## ii. Compensated absences

The employees of the Company are entitled for compensated absences and leave encashment as per the policy of the Company. The liability in respect of unutilised leave balance that accrues to employees as at the year-end is charged to the Statement of Profit and Loss on an undiscounted basis.

## j) **Taxes on Income:**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

- i. Current tax is determined as the amount of tax expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and the liabilities on a net basis.
- ii. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized in books of accounts only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised by the Company. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax and liabilities relate to taxes on income levied by the same governing taxation laws.

## k) **Provisions and Contingent Liabilities:**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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 or a reliable estimate of the amount cannot be made.



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# IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016.

## l) Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments/ receipts are recognised as an expense/ income in the Statement of Profit and Loss on a straight-line basis over the lease term.

## m) Earnings Per Share:

The Basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating Diluted earnings per share the net profit for the year attributable to equity shareholders and weighted average number of shares outstanding during the reporting year is adjusted for the effects of all dilutive potential equity shares.

## n) Cash and Cash Equivalents:

In the Cash Flow Statement, Cash and cash an equivalent includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.



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**IIJT EDUCATION PRIVATE LIMITED**  
Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

**3 SHARE CAPITAL**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>Authorised</b> 10,000,000 Equity shares of Rs. 10 each	100,000,000	100,000,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid-Up</b> 8,000,000 Equity Shares of Rs. 10 each fully paid up	80,000,000	80,000,000
	<b>80,000,000</b>	<b>80,000,000</b>

**3.1 Reconciliation of number of shares**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
As at the beginning and at the end of the year	8,000,000	80,000,000	8,000,000	80,000,000

**3.2 Rights, Preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**3.3 Shares held by the Holding Company**

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
TeamLease Services Limited and its Nominee	8,000,000	80,000,000	8,000,000	80,000,000
<b>Total</b>	<b>8,000,000</b>	<b>80,000,000</b>	<b>8,000,000</b>	<b>80,000,000</b>

**3.4 Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company.**

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% holding	Number of Shares	% holding
TeamLease Services Limited and its Nominee	8,000,000	100%	8,000,000	100%
<b>Total</b>	<b>8,000,000</b>	<b>100%</b>	<b>8,000,000</b>	<b>100%</b>

3.5 There are no shares reserved for issue under options.

3.6 There are no shares allotted as fully paid up pursuant to contact(s) without payment being received in cash during the period of five years immediately preceding the year ended March 31, 2016.

3.7 There are no shares bought back by the Company during the period of five years immediately preceding the year ended March 31, 2016.

3.8 There are no securities that are convertible into equity / preference shares.

**4 RESERVES AND SURPLUS**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>Securities Premium Account</b> Balance as at the Beginning and End of the year	224,813,740	224,813,740
<b>Deficit in Statement of Profit and Loss</b> Balance as at the Beginning of the year	(295,756,549)	(336,300,505)
Less: Transfer from General Reserve	-	39,617,901
Add: Profit for the year	5,144,156	926,055
Balance as at the End of the year	<b>(290,612,393)</b>	<b>(295,756,549)</b>
<b>Total</b>	<b>(65,798,653)</b>	<b>(70,942,809)</b>



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**IIJT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>5 SHORT TERM BORROWINGS</b>		
<b>Unsecured</b>		
Loan from Holding Company#	12,760,574	19,206,426
<b>Total</b>	<b>12,760,574</b>	<b>19,206,426</b>
# The Loan taken from the Holding Company is interest free loan and is repayable on demand.		
<b>6 TRADE PAYABLES</b>		
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Trade payables (other than Micro, Small and Medium Enterprises) (Refer Note - 28)	341,048	169,748
<b>Total</b>	<b>341,048</b>	<b>169,748</b>
<b>7 OTHER CURRENT LIABILITIES</b>		
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Employees Benefits Payable	18,000	63,000
Statutory Dues *	72,068	3,568
Other Liabilities	489,734	287,862
Security Deposit	2,100,000	2,100,000
<b>Total</b>	<b>2,679,802</b>	<b>2,454,430</b>
* There are no amounts due and outstanding to be provided to the Investor Education and Protection Fund under section 205C of Companies Act, 1956 as at the year end.		
<b>8 SHORT TERM PROVISIONS</b>		
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Provision for Employee Benefits		
Leave Encashment (Refer Note 22(a))	33,396	33,396
<b>Total</b>	<b>33,396</b>	<b>33,396</b>



**IIJT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

**10 LONG TERM LOANS AND ADVANCES**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<u>Unsecured, considered good (unless otherwise stated)</u>		
<u>Other loans and advances</u>		
CENVAT Credit Receivable	561,142	1,041,402
Tax Deducted at Source	2,749,488	2,493,148
<b>Total</b>	<b>3,310,630</b>	<b>3,534,550</b>

**11 OTHER NON CURRENT ASSETS**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Long Term Trade Receivables		
Unsecured considered doubtful	168,210	2,880,864
Less : Provision for Doubtful Trade Receivables	(168,210)	(2,880,864)
<b>Total</b>	<b>-</b>	<b>-</b>

**12 TRADE RECEIVABLES**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<u>Unsecured, considered good</u>		
Outstanding for a period exceeding 6 months from the date they are due for payment	20,235	355,519
<b>Total</b>	<b>20,235</b>	<b>355,519</b>

**13 CASH AND BANK BALANCES**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>(a) Cash And Cash Equivalents</b>		
<u>Balances with banks</u>		
Current Accounts	3,779,754	3,600,665
<b>(b) Other Bank Balances</b>		
Fixed Deposits Accounts (Maturity more than 12 months but within one year from the reporting date)#	100,000	554,618
<b>Total</b>	<b>3,879,754</b>	<b>4,155,283</b>

# Fixed deposit of Rs. NIL and (Previous year Rs.73,578) is under lien with IDBI Bank Limited towards Bank Guarantee.

**14 SHORT TERM LOANS AND ADVANCES**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<u>Unsecured, considered good (unless otherwise stated)</u>		
Advances recoverable in Cash or in kind or for value to be received	29,160	29,160
Provision for doubtful advances	(29,160)	(29,160)
Prepaid Expenses	5,351	4,603
CENVAT Credit Receivable	588,000	576,520
<b>Total</b>	<b>593,351</b>	<b>581,123</b>

**15 OTHER CURRENT ASSETS**

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Interest Accrued on Fixed Deposits	39,402	121,921
Building held for Sale *	22,172,795	22,172,795
<b>Total</b>	<b>22,212,197</b>	<b>22,294,716</b>



**IJIT EDUCATION PRIVATE LIMITED**  
Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

**9 FIXED ASSETS**

**A. Tangible Assets**

	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK As at 31-Mar-2016
	As at 01-Apr-2015	Additions for the Year	Deletions/ Adjustments	As at 31-Mar-2016	As at 01-Apr-2015	For the year	
Building *	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
As at 01-Apr-2014	25,495,100	Additions for the Year	Deletions/ Adjustments	As at 31-Mar-2015	As at 01-Apr-2014	For the year	On Deletions/ Adjustments
	25,495,100	-	25,495,100	-	2,920,378	401,927	3,322,305.00
<b>Total</b>	<b>25,495,100</b>	<b>-</b>	<b>25,495,100</b>	<b>-</b>	<b>2,920,378</b>	<b>401,927</b>	<b>3,322,305</b>

**B. Intangible Assets**

	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK As at 31-Mar-2016
	As at 01-Apr-2015	Additions for the Year	Deletions/ Adjustments	As at 31-Mar-2016	As at 01-Apr-2015	For the year	
Goodwill	26,322,380	-	-	26,322,380	26,322,380	-	-
<b>Total</b>	<b>26,322,380</b>	<b>-</b>	<b>-</b>	<b>26,322,380</b>	<b>26,322,380</b>	<b>-</b>	<b>26,322,380</b>
As at 01-Apr-2014	26,322,380	Additions for the Year	Deletions/ Adjustments	As at 31-Mar-2015	As at 01-Apr-2014	For the year	On Deletions/ Adjustments
	26,322,380	-	-	26,322,380	26,322,380	-	-
<b>Total</b>	<b>26,322,380</b>	<b>-</b>	<b>-</b>	<b>26,322,380</b>	<b>26,322,380</b>	<b>-</b>	<b>26,322,380</b>

\* Building is given on operating lease with effect from March 10, 2014.



**IIJT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

16 OTHER INCOME	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Interest on Fixed Deposits	43,400	86,663
Provision for Doubtful debts no longer required Written Back	2,696,652	238,480
Sundry balances no longer required written back	19,592	89,052
Rental Income	4,200,000	4,200,000
<b>Total</b>	<b>6,959,644</b>	<b>4,614,195</b>
17 EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Salaries, Allowances and Bonus (Refer Note 21)	400,952	445,752
Employer's Contribution to Provident Fund and Other Funds (Refer Note 22 (b))	29,448	23,786
<b>Total</b>	<b>430,400</b>	<b>469,538</b>
18 DEPRECIATION EXPENSE	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Depreciation	-	401,927
<b>Total</b>	<b>-</b>	<b>401,927</b>
19 OTHER EXPENSES	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Rates and Taxes	155,087	2,411,699
Professional and Consultancy	569,113	84,425
<u>Auditors' Remuneration</u>		
Statutory Audit Fees	300,000	200,000
Out of Pocket Expenses	11,400	7,200
Insurance	7,290	8,813
Bad Debts written off	351,286	
Less: Related Provision for Doubtful Debts Written Back	<u>(16,002)</u>	
Provision for Bad Advances	-	29,160
Bank Charges	456	1,891
Office Expenses	6,458	73,487
<b>Total</b>	<b>1,385,088</b>	<b>2,816,675</b>



**IIJT EDUCATION PRIVATE LIMITED**  
Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

**20 Earnings per Equity Share**

Particulars	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
Profit for the year (in Rupees)	5,144,156	926,055
Weighted average number of Equity Shares	8,000,000	8,000,000
Nominal Value of Shares ( in Rupees)	10	10
Earnings per Equity Share (Nominal value per share Rs.10 each)		
Basic and Diluted	0.64	0.12

**21 Prior Period Item:**

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
	Rupees	Rupees
Employee Benefit Expenses	-	45,000
<b>Total</b>	<b>-</b>	<b>45,000</b>

**22 a) Short Term Employee Benefits:**

Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis. During the year ended March 31, 2016 and year ended March 31, 2015, there is no provision for leave encashment.

**b) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:**

Particulars	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
	Rupees	Rupees
Employers Contribution to Provident Fund	20,208	20,208
Labour Welfare Fund & PF Admin Charges	9,240	3,578
<b>Total</b>	<b>29,448</b>	<b>23,786</b>

**23 Contingent Liability**

- a) Guarantees given by banks against Fixed Deposits as at March 31, 2016 are Rs NIL (Previous year - Rs 73,578).  
b) Income tax matter in respect of Financial Year 2010-11 for which an appeal has been filed with Commissioner of Income Tax (Appeals) on April 23, 2014 against demand notice of Rs. 2,284,370 (Previous year Rs. 2,284,370).  
c) Income tax matter in respect of Financial year 2012-13 for which an appeal has been filed with Commissioner of Income Tax (Appeals) against demand notice of Rs. 960,076(Previous year Rs. NIL).  
d) During the year, the Company has received a demand notice from Kolkata Municipal Corporation to pay additional amount of property tax of Rs. 3,416,100 and is in the process of filing an appeal against the aforesaid demand with the Kolkata Municipal Tribunal. Accordingly, this has been considered as contingent liability.

**24 Segment Reporting :**

**Primary Segments**

The Business segment has been considered as the Primary Segment for disclosure. The Company is in the business of imparting vocational Training. Accordingly there are no reportable segments as per AS 17 issued by The Institute of Chartered Accountants of India.

**Geographical Segment**

The Company operates in one Geographical segment namely " within India" and hence no separate information for Geographical Segment wise disclosure required.

**25 Related Party Disclosure**

**(a) Related parties where control exists:**

Nature of Relationship	Name of the Party
Holding Company	TeamLease Services Limited

**(b) Other Related Parties:**

Key Management personnel	
	Ashok Kumar Nedurumalli - Director
	Gopal Jain - Director
	Shilpa Avarsekar - Director (Appointed w.e.f 30.03.2016)

**Transactions carried out with related parties in the ordinary course of business**

Nature of Transactions	Holding Company		Total	
	Current Year	Previous Year	Current Year	Previous Year
<b>Transactions during the year</b>				
Advances Taken - TeamLease Services Limited	-	-	-	-
Advances Repaid - TeamLease Services Limited	6,696,652	1,307,005	6,696,652	1,307,005
Other Expenses - TeamLease Services Limited	240,000	25,080	240,000	25,080
<b>Amount outstanding as at Balance Sheet date</b>				
<b>Amounts due to (Cr.)</b>				
Short Term Borrowings - Unsecured - TeamLease Services Limited	12,760,574	19,206,426	12,760,574	19,206,426



**IIJT EDUCATION PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

- 26 The net worth of the Company is substantially eroded due to accumulated losses as at March 31, 2016. Taking into account the commitment made by the holding company to infuse additional capital, if required, the Financial Statements of the Company have been prepared on a "Going Concern" basis.
- 27 In view of the accumulated losses, no deferred tax asset has been considered in books of account. Considering that such deferred tax asset has not been recognised, the Company has also not recorded the timing differences in the nature of deferred tax liabilities that would be reversed and reduce such deferred tax asset in future.
- 28 Previous year's figures have been reclassified, wherever necessary, to conform with current period's classification.

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The attached notes 1 to 28 to the financial statements form an integral part of the financial statements.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016

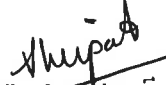


**Arvind Daga**  
Partner  
Membership No: 108290

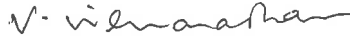
**For and on behalf of the Board of Directors**



**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814



**Shilpa Avarsekar**  
Director  
DIN: 00005597



**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016



**GNANESHWAR & CO.,**  
Chartered Accountants

No. 461, 'Prasanna Villas'  
Ground Floor, 2nd Cross,  
4th Block, HBR Layout 1st Phase,  
Bengaluru - 560 043.  
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E-mail : gnaneshwarmb@gmail.com

## **INDEPENDENT AUDITOR'S REPORT**

**TO**  
**THE MEMBERS**  
**INDIA TOURISM AND HOSPITALITY SKILLS EDUCATION PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **INDIA TOURISM AND HOSPITALITY SKILLS EDUCATION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.





We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its Loss and its cash flows for the year ended on that date.

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

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 Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.







**GNANESHWAR & CO.,**  
Chartered Accountants

- d) In our opinion, the aforesaid financial statements comply with the 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 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 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 our separate Report in Annexure A.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **Gnaneshwar & Co.,**  
Chartered Accountants

**Firm Registration No: 008544S**

**Gnaneshwar M B**

Proprietor

**Membership No: 207475**



Place: Bangalore

Date: May 18, 2016



## **Annexure A to Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of India Tourism and Hospitality Skills Education Private Limited ("the Company") as of March 31, 2016 in conjunction with our 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 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 its business, including adherence to 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 evaluating 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





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

A company's internal financial control over financial reporting is 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 control over financial reporting includes 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 to future periods are subject to the risk that the internal financial control 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

For Gnaneshwar & Co.,

Chartered Accountants

**Firm Registration No: 008544S**

  
**Gnaneshwar M B**

Proprietor

**Membership No: 207475**

Place: Bangalore

Date: May 18, 2016





### **Annexure B to Independent Auditor's Report**

The annexure referred to in our report to the members of India Tourism and Hospitality Skills Education Private Limited for the year ended on 31<sup>st</sup> March 2016. We report that:

- (i) The Company does not have any Fixed Assets. Accordingly, the provisions of clauses (i) of the Order are not applicable.
- (ii) The Company is a service Company, primarily rendering education, and skills up gradation, hospitality and tourism. Accordingly, it does not hold any tangible inventories. Thus, clause (ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted any deposits during the year. Accordingly, the provisions of clause (v) are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of services carried out by the Company. Accordingly, the provisions of clause (vi) are not applicable.
- (vii)
  - a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year- end for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues of wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not borrowed any amount from any financial institutions, banks or debenture holders during the year. Accordingly the provisions of clause (viii) of the order are not applicable.
- (ix) According to the information and explanations given to us, the provisions of clause (ix) of the order are not applicable to Company.





- (x) Based upon the audit procedures performed, and the information and explanations given by the management, we report that no fraud by the Company, or on the Company by its officers, or employees, has been noticed, or reported during the year.
- (xi) Based upon the audit procedures performed, and the information and explanations given by the management, the provisions of clause (xi) of the Order are not applicable to the Company and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause (xii) of the order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The provisions of clause (xiv) of the order are not applicable to the Company, and hence not commented upon.
- (xv) Based upon the audit procedures performed, and the information and explanations given by the Company, the provisions of clause (xv) of the order are not applicable to the Company as the Company has not entered into any non-cash transactions with Directors or persons connected with him and hence not commented upon.
- (xvi) In our opinion, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company.

For Gnaneshwar & Co.,  
Chartered Accountants

**Firm Registration No: 008544S**

**Gnaneshwar M B**  
Proprietor

**Membership No: 207475**

Place: Bangalore

Date: May 18, 2016



**India Tourism and Hospitality Skills Education Private Limited**

**Balance Sheet as at March 31, 2016**

**(Amount In Rs.)**

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	1,00,000	1,00,000
Reserves and Surplus	3	(24,15,781)	(22,99,024)
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	23,33,637	22,29,713
<b>Current Liabilities</b>			
Other current liabilities	5	18,313	43,000
<b>Total</b>		<b>36,169</b>	<b>73,689</b>
<b>II.Assets</b>			
<b>Non-current assets</b>			
Miscellaneous Expenditure (to the extent not written off)	6	-	47,320
<b>Current assets</b>			
Cash and cash equivalents	7	36,169	26,369
<b>Total</b>		<b>36,169</b>	<b>73,689</b>

**The Notes are an integral part of the Financial Statements**

1-13

This is the Balance Sheet referred to in our report of even date

**For Gnaneshwar & Co**  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475



**For and on behalf of the Board of Directors**

*Ashok Kumar Nedurumalli*

Ashok Kumar Nedurumalli  
Director  
DIN: 00151814

*Sudhir Bahadur Bajpai*

Sudhir Bahadur Bajpai  
Director  
DIN:00005571

Place : Bangalore

Date : 18-05-2016

Place : Bangalore

Date : 18-05-2016

**India Tourism and Hospitality Skills Education Private Limited**

Statement of Profit and Loss for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Note No	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>Revenue</b>			
I. Revenue from operations		-	-
II. Other Income		-	-
<b>III. Total Revenue (I + II)</b>		-	-
<b>Expenses:</b>			
Employee benefit expenses		-	-
Depreciation and amortization expense		-	-
Other expenses		1,16,757	81,240
<b>Total Expenses</b>	8	<b>1,16,757</b>	<b>81,240</b>
Profit/(Loss) before exceptional and extraordinary items and tax		(1,16,757)	(81,240)
Profit before Tax		(1,16,757)	(81,240)
Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit(Loss) from the period from continuing operations		(1,16,757)	(81,240)
Profit/(Loss) for the Period/Year		(1,16,757)	(81,240)
Earning per equity share:	12		
Basic & Diluted		(11.68)	(8.12)
Wt. Avg Number of Shares		10,000	10,000

**The Notes are an integral part of the Financial Statements**

1- 13

This is the Statement of Profit and Loss referred to in our report of even date

**For Gnaneshwar & Co**  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475



**For and on behalf of the Board of Directors**

Ashok Kumar Nedurumalli Sudhir Bahadur Bajpai  
Director Director  
DIN: 00151814 DIN:00005571

Place :Bangalore  
Date : 18-05-2016

Place : Bangalore  
Date : 18-05-2016

India Tourism and Hospitality Skills Education Private Limited  
Cash Flow Statement for the Year ended March 31, 2016

	For the Year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>A Cash flow from Operating Activities:</b>		
Net Profit / (Loss) before Tax	(1,16,757)	(81,240)
<b>Adjustments for :</b>		
Preliminary Expenses	47,320	23,660
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(69,437)</b>	<b>(57,580)</b>
<b>Adjustment for changes in working capital:</b>		
Increase in other Long Term Borrowings	1,03,924	44,580
(Decrease) / Increase in other current liabilities	(24,687)	26,146
<b>Cash used in operations</b>	<b>9,800</b>	<b>13,146</b>
Taxes Paid	-	-
<b>Net cash used in Operating Activities (A)</b>	<b>9,800</b>	<b>13,146</b>
<b>B Cash flow from Investing Activities:</b>		
Net cash generated from / (Used in ) Investing Activities (B)	-	-
<b>C Cash flow from Financing Activities :</b>		
Net cash (used in) / generated from Financing Activities (C)	-	-
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>9,800</b>	<b>13,146</b>
Cash and Cash Equivalent at the beginning of the period/year	36,169	13,223
<b>Cash and Cash Equivalent at the end of the period/year</b>	<b>45,969</b>	<b>26,369</b>
<b>Cash and Cash Equivalent comprises of</b>		
Balances with Banks - Current Account	36,169	26,369
<b>Cash and Cash Equivalent at the end of the period/year</b>	<b>36,169</b>	<b>26,369</b>

**Notes**

- 1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on
- 2 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.
- 3 The notes are integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

**For Gnaneshwar & Co**  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475



**For and on behalf of the Board of Directors**

Ashok Kumar Nedurumalli  
Director  
DIN: 00151814

Sudhir Bahadur Bajpai  
Director  
DIN:00005571

Place: Bangalore

Date: 18-05-2016

Place: Bangalore

Date: 18-05-2016



INDIA TOURISM AND HOSPITALITY SKILLS EDUCATION PRIVATE LIMITED  
Notes to the Financial Statements for the year ended March 31, 2016

**Note 1**

**1. Background of the company**

INDIA TOURISM AND HOSPITALITY SKILLS EDUCATION PRIVATE LIMITED was incorporated on 28th June 2011. The Company has been set up to render education, skills up gradation and improve hospitality, tourism and related areas, either directly or indirectly, through own centers, joint ventures, franchisees, authorised partners etc.

**Significant accounting policies**

**i. Basis for preparation of Accounts:**

The Financial Statements have been prepared on historical cost basis of accounting. The company adopts the accrual system of accounting and the financial statements conform with the generally accepted accounting principles prevailing in India and the relevant provisions of the Companies Act, 1956.

**ii. Use of Estimates:**

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**iii. Taxes on Income**

- a. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for taxation for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.
- b. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



**iv. Provisions, Contingent Liabilities and Contingent Assets :**

All known liabilities wherever material are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes on accounts.

A provision is recognized when an enterprise has present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**v. Earnings per Share**

In determining the earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

**vi. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.



**India Tourism and Hospitality Skills Education Private Limited**  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

11. NOTES ON ACCOUNTS FOR THE YEAR ENDED March 31, 2016

2. SHARE CAPITAL

Particulars	(Amount in Rs.)	(Amount in Rs.)
	As at March 31, 2016	As at March 31, 2015
<b>Authorized</b> 5,00,000 (previous year: NIL) Equity shares of Rs. 10 each	50,00,000	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>
<b>Issued, Subscribed and Paid-Up</b> 10,000 (previous year: NIL) Equity Shares of Rs. 10 each fully paid up	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>

2.1 Each holder of equity shares is entitled to one vote per share. The Company has not declared and pays any dividends in the current year.

2.2 Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company.

Equity Shares of Rs.10 each	As at 31st March, 2016		As at 31st March, 2015		
	Name of the shareholder	Number of Shares	% holding	Number of Shares	% holding
TeamLease Services Limited (Formerly Known as TeamLease Services Pvt Ltd)		9,999	99.99	9,999	99.99
Ashok Kumar Nedurumalli - On behalf of TeamLease Services Limited		1	0.01	1	0.01
		<b>10,000</b>	<b>100.00</b>	<b>10,000</b>	<b>100.00</b>

2.3 The reconciliation of the number of equity shares outstanding as at March 31, 2016 and March 31, 2015 is set out below:

Particulars	As at March 31, 2016	As at March 31, 2015
Number of shares as at the beginning	10,000	10,000
Add: Shares allotted/Buy back during the period/year	-	-
Number of shares as at the end	<b>10,000</b>	<b>10,000</b>

3. RESERVES AND SURPLUS

Particulars	(Amount in Rs.)	(Amount in Rs.)
	As at March 31, 2016	As at March 31, 2015
Surplus- Opening Balance	(22,99,024)	(22,17,784)
Add: Net profit/(Loss) after tax transferred from Statement of Profit and Loss	(1,16,757)	(81,240)
<b>Amount available for appropriation</b>	<b>(24,15,781)</b>	<b>(22,99,024)</b>
Balance as at the End of the period/year	<b>(24,15,781)</b>	<b>(22,99,024)</b>
<b>Total</b>	<b>(24,15,781)</b>	<b>(22,21,324)</b>

4. LONG TERM BORROWINGS

Particulars	(Amount in Rs.)	(Amount in Rs.)
	As at March 31, 2016	As at March 31, 2015
<b>Advance from Related Parties:</b> TeamLease Services Limited	23,33,637	22,29,713
<b>Total</b>	<b>23,33,637</b>	<b>22,29,713</b>

5. OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs.)	(Amount in Rs.)
	As at March 31, 2016	As at March 31, 2015
Gnaneshwar & Co	13,063	28,500
Provision for Outstanding Expenses	-	14,500
TDS on Consultancy	5,250	-
<b>Total</b>	<b>18,313</b>	<b>43,000</b>

6. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)

Particulars	(Amount in Rs.)	(Amount in Rs.)
	As at March 31, 2016	As at March 31, 2015
Preliminary Expenses	-	47,320
<b>Total</b>	<b>-</b>	<b>47,320</b>

7. CASH AND BANK BALANCES

Particulars	(Amount in Rs.)	(Amount in Rs.)
	As at March 31, 2016	As at March 31, 2015
<b>Cash And Cash Equivalents</b>		
(a) Balances with banks		
In Current Accounts	36,169	26,369
(b) Cash in Hand	-	-
<b>Total</b>	<b>36,169</b>	<b>26,369</b>

8. OTHER EXPENSES

Particulars	(Amount in Rs.)	(Amount in Rs.)
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Rates & Taxes -Others	9,424	29,080
Audit Remuneration (Refer Note 8.1)	37,213	28,500
Preliminary Expenses Written off	47,320	23,650
Consultancy Fees	22,800	-
<b>Total</b>	<b>1,16,757</b>	<b>81,240</b>



### 8.1 Auditor's Remuneration

Particulars	(Amount in Rs.)	(Amount in Rs.)
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Audit Fees- Statutory Audit fee	37,213	28,500
<b>Total</b>	<b>37,213</b>	<b>28,500</b>

### 9. Related Party Disclosure

#### A) Name of Related Party and Nature of Relation ship

Name of the Related Party	Nature of Relation Ship
TeamLease Services Limited (Formerly known as TeamLease Services Pvt Ltd)	Holding Company
Ashok Kumar Nedurumalli	Director
Sudhir Bahadur Bajpai	Director

#### B) Related Party Transactions

Particulars	Holding Company	
	March 31, 2016	March 31, 2015
<b>1) Transactions During The Period/Year</b>		
Other Expense Shairing	22,000	44,580
<b>2) Balance Outstanding at the end of the Period/Year</b>		
Advances (Inclusive of Other Exp Shairing)	22,84,213	22,29,713

No amount is/have been written off or written back during the period/year in respect of debts due from or to related Parties.

### 10. DUES TO MICRO AND SMALL ENTERPRISES

There are no dues to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

### 11. TAXES ON INCOME

In view of the losses incurred by the Company, no deferred tax asset has been considered in books of account. Considering that such deferred tax asset has not been recognised, the Company has also not recorded the timing differences in the nature of deferred tax liabilities that would be reversed and reduce such deferred tax asset in future.

### 12. EARNING PER SHARE

Earning Per share has been computed as under

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Net Profit/ Loss after tax	(1,16,757)	(81,240)
Weighted Average Number of equity Shares outstanding (Basic / Diluted (Nos))	10,000	10,000
Earning Per Share ( Basic & Diluted)	(11.68)	(8.12)
Nominal Value of Equity	10	10

### 13. PREVIOUS YEAR FIGURES

Previous period/year figures has been re-grouped wherever necessary.

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 0085445

Gnaneshwar M B  
Proprietor  
Membership No.207475

Place : Bangalore

Date : 18-05-2016



For and on behalf of the Board of Directors

*Ashok Kumar Nedurumalli*

Ashok Kumar Nedurumalli  
Director  
DIN: 00151814

Place : Bangalore

Date : 18-05-2016

*Sudhir Bahadur Bajpai*

Sudhir Bahadur Bajpai  
Director  
DIN:00005571



## INDEPENDENT AUDITOR'S REPORT

TO

### THE MEMBERS

**National Employability Apprenticeship Services**

### Report on the Financial Statements

We have audited the accompanying financial statements of **National Employability Apprenticeship Services** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.





We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its Loss and its cash flows for the year ended on that date.

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

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the 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 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164(2) of the Act.





**GNANESHWAR & CO.,**  
Chartered Accountants

- 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 our separate Report in Annexure A.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.
- h) 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 Act is not applicable during the year.

For **Gnaneshwar & Co.,**

Chartered Accountants

**Firm Registration No: 008544S**

**Gnaneshwar M B**

Proprietor

**Membership No: 207475**



Place: Bangalore

Date: September 1, 2016



## **Annexure A to Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of National Employability Apprenticeship Services ("the Company") as of March 31, 2016 in conjunction with our 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 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 its business, including adherence to 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 evaluating 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.







**GNANESHWAR & CO.,**  
Chartered Accountants

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

A company's internal financial control over financial reporting is 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 control over financial reporting includes 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 to future periods are subject to the risk that the internal financial control 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

For Gnaneshwar & Co.,  
Chartered Accountants

**Firm Registration No: 008544S**

**Gnaneshwar M B**

Proprietor

**Membership No: 207475**

Place: Bangalore

Date: September 1, 2016



# NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES

Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,00,000	1,00,000
Reserves and Surplus	3	(2,28,592)	(64,386)
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	4	2,41,156	1,08,750
<b>Current Liabilities</b>			
Other Current Liabilities	5	12,686	22,636
<b>Total</b>		<b>1,25,250</b>	<b>1,67,000</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
Miscellaneous Expenses ( to the extent not written off)	6	1,25,250	1,67,000
<b>Total</b>		<b>1,25,250</b>	<b>1,67,000</b>

Significant Accounting Policies

1

The accompanying notes are an integral part of these Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475



For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli  
Director  
DIN: 00151814

Sudhir Bahadur Bajpai  
Director  
DIN:00005571



Place: Bangalore

Date: September 1, 2016

Place: Bangalore

Date: September 1, 2016

**NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES**  
**Statement of Profit and Loss for the year ended March 31, 2016**

	Notes	For the year ended	
		March 31, 2016 Rupees	March 31, 2015 Rupees
<b>Revenue</b>			
Revenue from Operations		-	-
Other Income		-	-
<b>Total Revenue</b>		<b>-</b>	<b>-</b>
<b>Expenses</b>			
Preliminary Expenses written off	7	41,750	41,750
Other Expenses	8	1,22,456	11,400
<b>Total Expenses</b>		<b>1,64,206</b>	<b>53,150</b>
Profit / (Loss) before Tax		<b>(1,64,206)</b>	<b>(53,150)</b>
Tax Expense		-	-
Profit / (Loss) for the year		<b>(1,64,206)</b>	<b>(53,150)</b>
Earning Per Equity Share			
Basic and Diluted		(1.64)	(0.53)

Significant Accounting Policies 1  
The accompanying notes are an integral part of these Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

**For Gnaneshwar & Co**  
**Chartered Accountants**  
**Firm Registration No. - 008544S**

Gnaneshwar M B  
Proprietor  
Membership No.207475



Place: Bangalore  
Date: *September 1, 2016*

**For and on behalf of the Board of Directors**

Ashok Kumar Nedurumalli     Sudhir Bahadur Bajpai  
Director                                     Director  
DIN:00151814                             DIN:00005571



Place: Bangalore  
Date: *September 1, 2016*

NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES  
Cash Flow Statement For The Year Ended March 31, 2016

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<b>A Cash flow from Operating Activities:</b>		
Profit/(Loss) before Tax	(1,64,206)	(53,150)
<b>Adjustments for :</b>		
Operating income before working capital changes	(1,64,206)	(53,150)
<b>Changes in working capital:</b>		
Increase in long-term liabilities	1,32,406	11,400
Decrease in Other Current Liabilities	(9,950)	-
(Increase)/Decrease in other non-current assets	41,750	41,750
<b>Cash generated from operations</b>	-	-
Taxes (paid) / refunded (net)	-	-
<b>Net cash generated from Operating Activities (A)</b>	-	-
<b>B Cash flow from Investing Activities:</b>		
<b>Net cash (used in) investing activities (B)</b>	-	-
<b>C Cash flow from Financing Activities :</b>		
<b>Net cash (used in) Financing Activities (C)</b>	-	-
<b>Net increase /(decrease) in Cash and Cash equivalents (A+B+C)</b>	-	-
Cash and Cash equivalent at the beginning of the year	-	-
<b>Cash and Cash equivalent at the end of the year</b>	-	-
<b>Cash and Cash equivalent comprises of</b>		
Cash on hand	-	-
Cheques on Hand	-	-
<u>Balances with Banks*</u>	-	-
In Fixed Deposit Accounts	-	-
In Current Accounts	-	-
<b>Cash and Cash Equivalent at the end of the year</b>	-	-

This is the Cash Flow Statement referred to in our report of even date

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475

Place: Bangalore

Date: September 1, 2016

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli  
Director  
DIN:00151814

Sudhir Bahadur Bajpai  
Director  
DIN:00005571

Place: Bangalore

Date: September 1, 2016

## NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES

Notes to the Financial Statements for the year ended March 31, 2016

### 2 SHARE CAPITAL

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<b>Authorised</b>		
500,000 (previous year: 500,000) Equity shares of Rs.10 each	50,00,000	50,00,000
	<b>50,00,000</b>	<b>50,00,000</b>
<b>Issued, Subscribed and Paid-Up</b>		
10,000 (previous year: 10,000) Equity Shares of Rs. 10 each fully paid up	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>

#### 2.1 Reconciliation of the number shares

	As at March 31, 2016 Number of Shares	As at March 31, 2015 Number of Shares
<u>Equity Shares</u>		
Balance as at the beginning of the year	-	-
Add: Shares allotted during the year	10,000	10,000
Balance as at the end of the year	<b>10,000</b>	<b>10,000</b>

#### 2.2 Rights, Preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

#### 2.3 Shares held by Holding Company

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Rupees	Number of Shares	Rupees
<u>Equity Shares</u>				
TeamLease Services Limited	9,999	99,990	9,999	99,990
<b>Total</b>	<b>9,999</b>	<b>99,990</b>	<b>9,999</b>	<b>99,990</b>

#### 2.4 Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company.

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% holding	Number of Shares	% holding
TeamLease Services Limited	9,999	99.99	9,999	99.99
<b>Total</b>	<b>9,999</b>	<b>99.99</b>	<b>9,999</b>	<b>99.99</b>

2.5 There are no shares reserved for issue under options.

2.6 There are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the financial year ended March 31, 2016.

2.7 There are no shares bought back by the Company during the period of five years immediately preceding the financial year ended March 31, 2016.

2.8 There are no securities that are convertible into equity / preference shares.

*(Handwritten signatures)*



# NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES

Notes to the Financial Statements for the year ended March 31, 2016

3 RESERVES & SURPLUS	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<b>Balance in Profit and Loss Account</b>		
Opening Balance of Profit / (Loss)	(64,386)	(11,236)
Add: Profit / (Loss) for the year	(1,64,206)	(53,150)
<b>Total</b>	<b>(2,28,592)</b>	<b>(64,386)</b>
<b>4 Other Long Term Liabilities</b>		
	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
TeamLease Services Limited	2,41,156	1,08,750
<b>Total</b>	<b>2,41,156</b>	<b>1,08,750</b>
<b>5 OTHER CURRENT LIABILITIES</b>		
	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Sundry Creditors	12,686	22,636
<b>Total</b>	<b>12,686</b>	<b>22,636</b>
<b>6 MISCELLANEOUS EXPENSES ( To the extent not written off)</b>		
	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Preliminary Expenses	1,25,250	1,67,000
<b>Total</b>	<b>1,25,250</b>	<b>1,67,000</b>
<b>7 Preliminary Expenses written off</b>		
	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Preliminary Expenses	41,750	41,750
<b>Total</b>	<b>41,750</b>	<b>41,750</b>
<b>8 OTHER EXPENSES</b>		
	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Audit Fees	11,450	11,400
Legal & Professional Services	1,11,006	-
<b>Total</b>	<b>1,22,456</b>	<b>11,400</b>



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**NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES**

Notes to the Financial Statements for the year ended March 31, 2016

**9 DUES TO MICRO AND SMALL ENTERPRISES**

There are no dues to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium

**10 TAXES ON INCOME**

In view of the losses incurred by the Company, no deferred tax asset has been considered in books of account. Considering that such deferred tax asset has not been recognised, the Company has also not recorded the timing differences in the nature of deferred tax liabilities that would be reversed and reduce such deferred tax asset in future.

**11 RELATED PARTY DISCLOSURE**

**A) Related parties where control exists**

**Nature of Relationship**

Holding Company Teamlease Services Limited

**B) Related Party Transactions**

Nature of Transaction	Holding Company	
	2015-16	2014-15
TeamLease Services Limited Reimbursement of Expenses	1,32,406	1,08,750
<b>Outstanding Balances</b> TeamLease Services Limited	2,41,156	1,08,750

Related Parties have been identified by the management and relied up on by the Auditors. No amount is/have been written off or written back during the year in respect of debts due from or to related Parties.

**12 Previous Year Figures**

Figures of previous year have been regrouped, re-arranged and reclassified wherever necessary to conform to the Current Period's Classification.

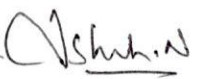
The accompanying notes are an integral part of these Financial Statements.


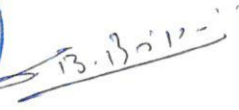
Signatures to Note Number 1 to 12 forming part of the Financial Statements.

**For Gnaneshwar & Co**  
Chartered Accountants  
Firm Registration No. - 0085445

**For and on behalf of the Board of Directors**

  
  
 Gnaneshwar M B  
 Proprietor  
 Membership No.207475

  
**Ashok Kumar Nedurumalli**  
 Director  
 DIN:00151814

  
  
**Sudhir Bahadur Bajpai**  
 Director  
 DIN:00005571

Place: Bangalore  
 Date :

Place: Bangalore  
 Date :

## NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES

Significant Accounting Policies for the year ended 31<sup>st</sup> March, 2016

### Company Overview

NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES is a Section 25 Company (Sec 8 Company under the Company Act , 2013) incorporated on 13th February 2013. It is aimed at enhancing employability and provides a large scale platform for overcoming the current challenges of the Apprenticeship Act, Unemployed youth to build skills through Learning by doing and Learning while earning, Provide them with access to practical skills and build a matching infrastructure which connects the youth with the corporate skill requirements. It is a Public Private Partnership of Teamlease Skills University, CII, and NSDC under the National Employability Enhancement Mission of the Ministry of HRD (AICTE).

#### 1. Significant accounting policies

##### i. Basis for preparation of Accounts:

The Financial Statements have been prepared on historical cost basis of accounting. The company adopts the accrual system of accounting and the financial statements conform with the generally accepted accounting principles prevailing in India and the relevant provisions of the Companies Act, 2013 and other relevant applicable provisions of Companies Act, 1956 .

##### ii. Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

##### iii. Taxes on Income

- a. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for taxation for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.





## **NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES**

Significant Accounting Policies for the year ended 31<sup>st</sup> March, 2016

- b. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **iv. Provisions, Contingent Liabilities and Contingent Assets :**

All known liabilities wherever material are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes on accounts.

A provision is recognized when an enterprise has present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

All other expense to be observed by the Parent company i.e. TeamLease Services Limited.

### **v. Earnings per Share**

In determining the earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

### **vi Cash Flow Statement**

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

### **vii. Preliminary expenses**

Preliminary expenses comprise of expenditure incurred in connection with the incorporation of the Company and the same will be written off over a period of 5 years.

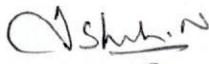


**NATIONAL EMPLOYABILITY APPRENTICESHIP SERVICES**  
Significant Accounting Policies for the year ended 31<sup>st</sup> March, 2016

**viii. Impairment of Assets**

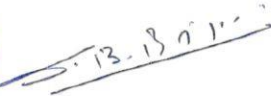
The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

For and on behalf of the Board of Directors



Ashok Kumar Nedurumani  
Director





Sudhir Bahadur Bajpai  
Director



Place: Bangalore

Date: *September 1, 2016*

## TeamLease Education Foundation

Balance Sheet as at March 31, 2016

(Amount In Rs.)

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	1,00,000	1,00,000
Reserves and Surplus	4	(1,84,88,103)	(1,87,30,600)
<b>Non Current Liabilities</b>			
Long Term borrowings	5	21,25,34,707	15,52,46,974
<b>Current Liabilities</b>			
Other current liabilities	6	1,10,94,092	20,21,191
<b>Total</b>		<b>20,52,40,696</b>	<b>13,86,37,565</b>
<b>II.Assets</b>			
<b>Non-current assets</b>			
Non Current Investment	7	3,00,00,000	-
Long term loans and advances	8	16,50,89,439	12,63,93,592
Other Non Current Assets	9	-	63,240
<b>Current assets</b>			
Cash and bank balances	10	-	35,55,026
Other current assets	11	1,01,51,257	86,25,707
<b>Total</b>		<b>20,52,40,696</b>	<b>13,86,37,565</b>

The Notes forms an integral part of the Financial Statements

1-21

This is the Balance Sheet referred to in our report of even date.

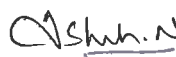
For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475

Place : Bangalore  
Date : 10-06-2016



For and on behalf of the Board of Directors

  
Ashok Kumar Nedurumalli  
Director  
DIN : 00151814

  
Manish Sabharwal  
Director  
DIN : 00969601

Place : Bangalore  
Date : 10-06-2016

**TeamLease Education Foundation**

**Statement of Profit and Loss for the Year ended March 31, 2016**

(Amount in Rs.)

Particulars	Note No	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>Revenue</b>			
Revenue from Operations	12	27,05,000	-
Other Income	13	1,30,05,165	60,31,179
	<b>A</b>	<b>1,57,10,165</b>	<b>60,31,179</b>
<b>Expenses:</b>			
Employee benefit expenses	14	2,60,359	13,86,490
Finance Costs	15	1,00,33,036	29,48,543
Other expenses	16	51,17,187	6,04,612
<b>Total Expenses</b>	<b>B</b>	<b>1,54,10,582</b>	<b>49,39,645</b>
<b>Profit before tax</b>	<b>A-B</b>	<b>2,99,583</b>	<b>10,91,534</b>
Tax Expenses		57,086	2,07,992
<b>Profit for the year</b>		<b>2,42,497</b>	<b>8,83,542</b>
Earnings per equity share of face value of Rs. 10 each: (1) Basic & Diluted	17	24.25	88.35

**The Notes forms an integral part of the Financial Statements** **1-21**


This is the Statement of Profit and Loss referred to in our report of even date.

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar M B  
Proprietor  
Membership No.207475

Place : Bangalore  
Date : 16-06-2016

For and on behalf of the Board of Directors

  
Ashok Kumar Nedurumalli  
Director  
DIN : 00151814

  
Manish Sabharwal  
Director  
DIN : 00969601

Place : Bangalore  
Date : 16-06-2016

**TeamLease Education Foundation**  
**Cash Flow Statement for the year ended March 31, 2016**

	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>A Cash flow from Operating Activities:</b>		
<b>Profit before Tax</b>	<b>2,42,497</b>	<b>10,91,534</b>
<b>Adjustments for :</b>		
Preliminary Expenses Written off	63,240	31,620
Interest Income on loan to related parties	(99,56,138)	(28,35,505)
Interest Income on others	(30,33,163)	(31,82,400)
Interest on Income Tax Refund	(21,049)	(13,274)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(1,27,04,613)</b>	<b>(49,08,025)</b>
<b>Adjustment for changes in working capital:</b>		
(Decrease) / Increase in other current liabilities	90,72,901	71,026
(Increase) / Decrease in long term loans and advances	(3,86,95,847)	(8,24,47,525)
(Increase) / Decrease in Other Current Assets	(15,25,550)	(60,15,205)
(Increase) / Decrease in Non current Asset	(3,00,00,000)	-
<b>Cash used in operations</b>	<b>(7,38,53,109)</b>	<b>(25,45,274)</b>
Taxes Paid	-	-
<b>Net cash used in Operating Activities (A)</b>	<b>(7,38,53,109)</b>	<b>(25,45,274)</b>
<b>B Cash flow from Investing Activities:</b>		
Interest Income on loan to related parties	99,56,138	28,35,505.00
Interest Income on others	30,33,163	31,82,400.00
Interest on Income Tax Refund	21,049	13,274
<b>Net cash generated from / (used in ) Investing Activities (B)</b>	<b>1,30,10,350</b>	<b>60,31,179</b>
<b>C Cash flow from Financing Activities :</b>		
Proceeds from Long Term Borrowings	5,72,87,733	9,07,54,455
	<b>5,72,87,733</b>	<b>9,07,54,455</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(35,55,026)</b>	<b>9,42,40,360</b>
Cash and Cash Equivalent at the beginning of the year	35,55,026	69,121
<b>Cash and Cash Equivalent at the end of the year</b>	<b>(0.00)</b>	<b>35,55,026</b>
<b>Cash and Cash Equivalent comprises of</b>		
Balances with Banks - Current Account	-	35,55,026
<b>Cash and Cash Equivalent at the end of the year</b>	-	<b>35,55,026</b>

**Notes**

- 1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- 2 Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year classification.
- 3 The notes are integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

**For Gnaneshwar & Co**  
**Chartered Accountants**  
**Firm Registration No. 008544S**

Gnaneshwar M B  
Proprietor  
Membership No.207475

Place: Bangalore  
Date: 10-06-2016



**For and on behalf of the Board of Directors**

*Ashok Kumar Nedurumalli*

**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814

Place: Bangalore  
Date: 10-06-2016

*Manish Sabharwal*

**Manish Sabharwal**  
Director  
DIN : 00969601

## TeamLease Education Foundation

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 3. SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Authorized</b> 1,000,000 Equity shares of Rs. 10 each	1,00,00,000	1,00,00,000
	<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-Up</b> 10,000 Equity Shares of Rs. 10 each fully paid up	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>

3.1. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend in the current year.

### 3.2. Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company.

Equity Shares of Rs.10 each Name of the shareholder	As at 31-Mar-2016		As at 31-Mar-2015	
	Number of Shares	% holding	Number of Shares	% holding
TeamLease Services Limited (including its nominees)	10,000	100.00%	10,000	100.00%
	<b>10,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>

3.3. The reconciliation of the number of equity shares outstanding as at March 31, 2016 is set out below:

Particulars	As at 31-Mar-16	As at 31-Mar-15
Number of shares as at the beginning of the year	10,000	10,000
Add/(Less): Shares allotted/Bought back during the year	-	-
Number of shares as at the end of the year	<b>10,000</b>	<b>10,000</b>

### 4. RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Surplus- Opening Balance	(1,87,30,600)	(1,96,14,142)
Add: Net profit after tax transferred from Statement of Profit and Loss	2,42,497	8,83,542
Balance as at the end of the year	<b>(1,84,88,103)</b>	<b>(1,87,30,600)</b>

### 5. LONG TERM BORROWINGS

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Loans and advances from related parties</b>		
Unsecured		
- TeamLease Services Limited	21,25,34,707	15,52,46,974
<b>Total</b>	<b>21,25,34,707</b>	<b>15,52,46,974</b>

### 6. OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Sundry Creditors for Expenses (Note 6.A)	42,05,232	15,14,862
Book Overdraft	60,30,645	-
Provision for Outstanding Expenses	40,075	-
Duties & Taxes	8,18,140	5,06,329
<b>Total</b>	<b>1,10,94,092</b>	<b>20,21,191</b>

### 6.A Sundry Creditors for Expenses

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Mirage Designers & Printers	252	252
Deccan Manpower Services Pvt Ltd	18,384	18,384
Excel Soft Technologies Private Limited	-	14,58,517
Srinidhi Office Automation	1,309	1,309
Ghaneshwar & Co	-	36,400
Sattva Media and Consulting Pvt Ltd	11,54,725	-
TeamLease Services Limited	30,30,562	-
<b>Total</b>	<b>42,05,232</b>	<b>15,14,862</b>

### 7. NON CURRENT INVESTMENT

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Investment in Controlled Special purpose entity		
- TeamLease Skills University	3,00,00,000	-
<b>Total</b>	<b>3,00,00,000</b>	<b>-</b>

### 8. LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Loans and Advances to Related Party</b>		
<b>Unsecured considered Good</b>		
TeamLease Skills University	16,50,62,391	9,63,93,592
TeamLease Contract Services Pvt Ltd	13,524	-
<b>Loans and Advances to Others</b>		
TeamLease Consulting Pvt Ltd	13,524	-
<b>Security Deposits (Considered Good)</b>		
Deposit with Gujarat State Financial Services Ltd	-	3,00,00,000
<b>Total</b>	<b>16,50,89,439</b>	<b>12,63,93,592</b>

*[Handwritten Signature]*



*[Handwritten Signature]*

**9. OTHER NON CURRENT ASSETS**

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Preliminary Expenses	63,240	94,860
Less : Preliminary Exp written off	(63,240)	(31,620)
<b>Total</b>	<b>-</b>	<b>63,240</b>

**10. CASH AND BANK BALANCES**

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Cash And Cash Equivalents		
<b>Balances with banks</b>		
In Current Accounts	-	35,55,026
<b>Total</b>	<b>-</b>	<b>35,55,026</b>

**11. OTHER CURRENT ASSETS**

(Amount in Rs.)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Interest receivable	81,97,103	80,24,397
TDS Receivable	15,58,448	5,90,751
Prepaid Expenses	7,859	10,559
Service Tax Input	3,87,847	-
<b>Total</b>	<b>1,01,51,257</b>	<b>86,25,707</b>

**12. REVENUE FROM OPERATIONS**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Income From Skills	27,05,000	-
<b>Total</b>	<b>27,05,000</b>	<b>60,31,179</b>

**13. OTHER INCOME**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Interest Income on loan to related parties	98,87,324	28,35,505
Interest Income on others	30,96,790	31,82,400
Interest on Income Tax Refund	21,051	13,274
<b>Total</b>	<b>1,30,05,165</b>	<b>60,31,179</b>

**14. EMPLOYEE BENEFIT EXPENSES**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Salaries	1,28,000	12,50,901
Leave Encashment	-	1,20,643
Staff Welfare Expenses	1,32,359	14,946
<b>Total</b>	<b>2,60,359</b>	<b>13,86,490</b>

**15. FINANCE COSTS**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Interest Expenses	1,00,33,036	29,48,369
Bank Charges	-	174
<b>Total</b>	<b>1,00,33,036</b>	<b>29,48,543</b>

**16. OTHER EXPENSES**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Rates & Taxes	65,178	10,580
Traveling and Conveyance	1,05,498	17,992
Auditors Remuneration (Refer 16.1 below)	40,075	39,900
Communication costs	5,10,445	10,693
Legal and professional fees	6,16,446	4,51,613
Advertisement and Business Promotion	80,009	16,637
Printing & Stationery	2,23,168	2,581
Repairs & Maintenance	2,27,894	20,060
Subscription & Membership	2,700	2,700
Preliminary Expenses Written off	63,240	31,620
Interest on late payment of TDS	-	236
Insurance Charges	6,064	-
Postage & Courier	4,28,435	-
Books & Periodicals	23	-
Registration Charges	5,00,000	-
Channel Partner	40,115	-
Hire Charges	11,399	-
Salary Contract	60,121	-
Training Expenses - ILS	21,27,585	-
Miscellaneous Expenses	8,792	-
<b>Total</b>	<b>51,17,187</b>	<b>6,04,612</b>

**16.1 Auditor's Remuneration**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Statutory Audit Fees	40,075	39,900
<b>Total</b>	<b>40,075</b>	<b>39,900</b>



Ashwin



**17. EARNINGS PER SHARE**

Earnings Per share has been computed as under:

Particulars	For the year Ended 31-Mar-16	For the year Ended 31-Mar-15
Net Profit after tax for the year	2,47,497	8,23,542
Weighted Average Number of Equity Shares outstanding: (Basic / Diluted (Nos))	10,000	10,000
Earnings Per Share (Basic & Diluted)	24.25	88.35
Nominal Value of Equity Share	10.00	10.00

**18. Related Party Disclosure**

**A) Names of Related Parties and Nature of Relationship**

1. Where Control Exists  
Holding Company: TeamLease Services Limited (TSLSL)

2. Other Related Parties with whom transactions have taken place during the year

Nature of Relationship	Name of the related party
Enterprise over which key management personnel are able to exercise significant influence	TeamLease Contract Services Pvt Ltd (TCSPL)
Controlled Special purpose entity	TeamLease Skills University(TLSU)

**B) Related Party Transactions**

Nature of Transactions/ Balances	Name of Related Party	Holding Company		Enterprise over which key management personnel are able to exercise significant influence		Controlled Special purpose entity		Total	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Transactions during the year:</b>									
Loan Received from Related Parties	TLSL	5,95,00,130	8,05,64,207	-	-	-	-	5,95,00,130	8,05,64,207
Interest Expenses on Loan	TLSL	1,00,33,036	29,48,369	-	-	-	-	1,00,33,036	29,48,369
Training Expenses	TLSL	10,57,540	-	-	-	-	-	10,57,540	-
Other Expenses Paid	TLSL	24,14,157	3,28,68,509	-	-	-	-	24,14,157	3,28,68,509
Interest Free JCD	TLSL	-	3,91,60,726	-	-	-	-	-	3,91,60,726
Interest on Loan Paid during the year	TLSL	1,29,81,405	-	-	-	-	-	1,29,81,405	-
Interest on Loan	TLSU	-	-	-	-	98,67,324	28,35,505	98,67,324	28,35,505
Loans and advances given to related parties	TLSU TCSPL	-	-	13,524	-	6,67,81,475	9,35,58,087	6,87,81,475 13,524	9,35,58,087
<b>Balances outstanding as at the year end:</b>									
Loans and advances from related party	TLSL	6,00,23,458	15,55,41,811	-	-	-	-	6,00,23,458	15,55,41,811
Loans and advances to related party	TLSU	-	-	-	-	9,86,68,799	-	9,86,68,799	-
Loans and advances to related party	TCSPL	-	-	13,524	-	-	-	13,524	-

No amount has been written off or written back during the year in respect of debts due from or to Related Parties

**19. DUES TO MICRO AND SMALL ENTERPRISES**

There are no dues to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

**20. TAXES ON INCOME**

In view of the losses incurred by the Company, no deferred tax asset has been considered in books of account. Considering that such deferred tax asset has not been recognised, the Company has also not recorded the timing differences in the nature of deferred tax liabilities that would be reversed and reduce such deferred tax asset in future.

**21. PREVIOUS YEAR'S FIGURES**

Previous year's figures have been re-grouped wherever necessary.

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 0083445  
Gnaneshwar M B  
Partner  
Members No. 207475



For and on behalf of the Board of Directors

*Ashok Kumar Nedurumelli*  
Ashok Kumar Nedurumelli  
Director  
DIN : 00151814

*Manish Sahharwal*  
Manish Sahharwal  
Director  
DIN : 00969501

Place : Bangalore  
Date : 10-06-2016



Place : Bangalore  
Date : 10-06-2016



TEAMLEASE EDUCATION FOUNDATION  
Notes to the Financial Statements for the year ended March 31, 2016  
CIN: U80903MH2011NPL219138

**Note 1 & 2**

**1. Background of the company**

TEAMLEASE EDUCATION FOUNDATION is a Section 25 Company incorporated on 27th June 2011. The objective of the Company is to promote & sponsor Educational Institutions including Universities dedicated to the inculcation of domain specific, workplace relevant and life related skills and competences for enhancing employability, work culture, enhanced productivity, economic development, social harmony and social life through offer of technology supported, industry relevant and low-cost academic Programmes with employment at the heart of academic offerings.

**2. Significant accounting policies**

**i. Basis for preparation of Accounts:**

The Financial Statements have been prepared on historical cost basis of accounting. The company adopts the accrual system of accounting and the financial statements conform with the generally accepted accounting principles prevailing in India and the relevant provisions of the Companies Act, 2013 and other relevant applicable provisions of Companies Act, 1956 .

**ii. Use of Estimates:**

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**iii. Taxes on Income**

- a. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for taxation for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.



- b. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**iv. Provisions, Contingent Liabilities and Contingent Assets :**

All known liabilities, wherever material, are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes on accounts.

A provision is recognized when an enterprise has present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**v. Earnings per Share**

In determining the earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

**vi. Preliminary expenses**

Preliminary expenses comprise of expenditure incurred in connection with the incorporation of the Company and the same will be written off over a period of 5 years.

**vii. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

