

## INDEPENDENT AUDITOR'S REPORT

**MANIAN & RAO**

CHARTERED ACCOUNTANTS

### TO THE MEMBERS OF SCHOOLGURU EDUSERVE PRIVATE LIMITED

#### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **SCHOOLGURU EDUSERVE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with India Accounting Standards as prescribed under section 133 of the Act, read with the companies (Indian Accounting Standards) rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and loss, and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### Basis of our Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Information other than Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the Director's Report, (but does not include the standalone financial statements and our auditor's report thereon). The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of



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assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including total comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India.

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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

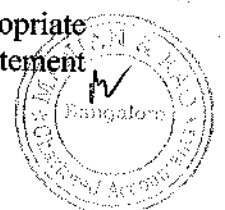
The Board of Directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for Audit of Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement



resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:

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.


- a) 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.
- b) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.




- c) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) Since the company's turnover is less than fifty crores and the borrowings from the banks or financial institutions or anybody corporate at any point of time during the financial year has not exceeded rupees twenty five crores, reporting on the adequacy of Internal financial controls over financial reporting is not required vide MCA notification dated June 13, 2017.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in 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 its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

  
Paresh Daga  
Partner  
M.No. 211468



Place: Bangalore  
Date: 24<sup>th</sup> May, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner, in our opinion, the same is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties or freehold or leasehold land and building and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (ii) The Company is in the business of providing education support service. Accordingly, it does not hold any physical inventories. Thus reporting on paragraph 3(ii) of the Order is not applicable.
- (iii) 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 Act.
- (iv) According to the information and explanations given to us, The Company has not given loans, investments and guarantees to which the provisions of section 185 and 186 of the companies Act, 2013 apply.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the Services rendered by the Company and therefore provision of section 3(vi) of the order is not applicable to the company.



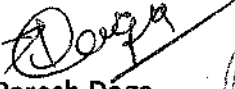
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) There were no dues of Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, Goods & Service Tax, cess which have not been deposited as on March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a Private Limited Company and hence reporting under clause 3 (xi) of the order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manian & Rao,  
Chartered Accountants  
FRN : 001983S

  
Paresh Daga  
Partner  
M.No. 211468




Place : Bangalore  
Date : 24<sup>th</sup> May, 2019

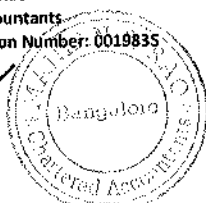
# School Guru Eduserve Private Limited

## Balance Sheet as at 31 March 2019


(Amount in ₹ lakhs)	Note	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6A	26.97	17.08
Intangible assets	6B	88.82	2.37
Intangible assets under development	6B	32.46	15.94
<b>Financial assets</b>			
Investments	7	-	-
Loans	8	23.18	8.38
Income tax assets (net)		76.40	51.59
Deferred tax assets (net)	9	-	-
Other non-current assets	10	-	1.01
		<u>247.83</u>	<u>96.37</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	11	465.55	840.58
Trade receivables	12	359.44	54.62
Cash and cash equivalents	13	62.91	3.54
Loans	14	-	1.04
Other financial assets	15	-	31.72
Other current assets	16	1.65	2.26
		<u>889.55</u>	<u>933.76</u>
<b>TOTAL ASSETS</b>		<u><b>1,137.38</b></u>	<u><b>1,030.13</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	82.94	82.94
Instruments entirely in equity nature	18	-	-
Other equity	19	(459.32)	(402.60)
		<u>(376.38)</u>	<u>(319.66)</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	1,350.04	1,233.86
Provisions	21	12.63	8.07
Other non-current liabilities	22	-	0.10
		<u>1,362.67</u>	<u>1,242.02</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
<b>Trade payables</b>			
- Dues to micro and small enterprises	23	30.78	23.34
- Dues other than micro and small enterprises	24	70.62	56.09
Other financial liabilities	25	22.91	10.63
Other current liabilities	26	26.78	17.71
Provisions			
		<u>151.09</u>	<u>107.77</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,137.38</b></u>	<u><b>1,030.13</b></u>
Significant accounting policies	1-4		
Notes referred to above form an integral part of the standalone financial statements	5-43		


As per our report of even date attached  
For Manian & Rao  
Chartered Accountants  
Firm Registration Number: 0019835

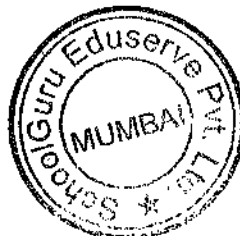
  
Paresh Daga  
Partner  
Membership No. 211468  
Place: Bengaluru  
Date: 24th May, 2019



For School Guru Eduserve Pvt Ltd

  
Shantanu Rooj  
Director  
DIN : 00200275  
Place: Bengaluru  
Date: 24th May, 2019

  
Ravi Vishwanath  
Director  
DIN : 07332234  
Place: Bengaluru  
Date: 24th May, 2019





# School Guru Eduserve Private Limited

## Statement of Profit and Loss

for the year ended on 31 March 2019

(Amount in ₹ lakhs)

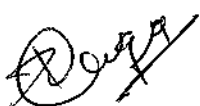
		Year Ended	For the Year ended
	Note	31 March 2019	31 March 2018
Revenue from operations	27	861.95	308.61
Other income	28	49.57	49.62
<b>Total income</b>		<b>911.52</b>	<b>358.23</b>
<b>Expenses</b>			
Employee benefits expense	29	532.97	508.12
Finance costs	30	116.33	138.61
Depreciation and amortization expense	6	31.60	11.58
Other expenses	31	299.46	318.55
<b>Total expenses</b>		<b>980.36</b>	<b>976.86</b>
<b>Profit before exceptional items and tax</b>		<b>(68.84)</b>	<b>(618.63)</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>(68.84)</b>	<b>(618.63)</b>
<b>Tax expense</b>	41		
Current tax		-	-
Deferred tax (benefit)/charge		-	-
<b>Total tax expense</b>			
<b>Profit for the year</b>		<b>(68.84)</b>	<b>(618.63)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		2.33	8.22
Income tax on items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>2.33</b>	<b>8.22</b>
<b>Total comprehensive income for the year</b>		<b>(66.51)</b>	<b>(610.41)</b>
<b>Earnings per equity share for continuing operations (face value per share ₹ 10 each)</b>			
Basic	39	(8.30)	(78.72)
Diluted	39	(8.30)	(78.72)
Significant accounting policies	1-4		
Notes referred to above form an integral part of the standalone financial statements	5-43		

As per our report of even date attached

For Manlan & Rao

Chartered Accountants

Firm Registration Number: 0019835



Paresh Daga

Partner

Membership No. 211468

Place: Bengaluru

Date: 24th May, 2019



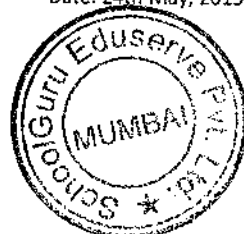
For School Guru Eduserve Pvt Ltd

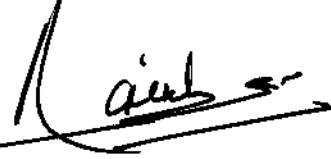
  
Shantanu Rooj  
Director

DIN : 00200275

Place: Bengaluru

Date: 24th May, 2019



  
Ravi Vishwanath  
Director

DIN : 07332234

Place: Bengaluru

Date: 24th May, 2019

School Guru Eduserve Private Limited  
Cash flow statement for the period ended 31 March 2019  
(Amount in ₹ lakhs)

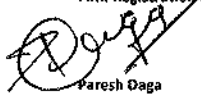
Particulars	Year Ended 31 March 2019	Year ended 31 March 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax for the period	(68.84)	(618.63)
<b>Adjustments to reconcile profit for the year to net cash generated from operating activities:</b>		
Depreciation and amortisation expense	31.60	11.58
Interest expenses	-	13.75
Interest on unwinding of financial instrument	116.18	124.61
Employee Compensation Expenses	9.78	30.38
Profit on Sales of Fixed Assets	-	(0.24)
Gain on Sales of Investments	(61.29)	(2.46)
Fair value changes of mutual funds	14.52	(18.67)
Liability written back	(0.10)	(26.93)
Provision for bad and doubtful debt	9.91	9.98
Provision for other receivables	1.72	-
Fair value changes of Investment	-	4.30
Sundry balance w/ back	0.36	65.31
<b>Operating profit before working capital changes</b>	<b>53.85</b>	<b>(407.04)</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in trade receivables	(315.09)	71.84
(Increase) / decrease in Inventories	-	-
(Increase) / decrease in Non current financial loans	(14.81)	(0.60)
(Increase) / decrease in Non current other current asset	1.01	(1.01)
(Increase) / decrease in current financial loans	1.04	(0.21)
(Increase) / decrease in current financial other assets	30.00	(31.72)
(Increase) / decrease in other current assets	0.62	(1.01)
Increase / (decrease) in non current financial borrowing	(0.00)	(1,561.79)
Increase / (decrease) in provisions (net of OCI)	15.96	10.87
Increase / (decrease) in other non current financial liabilities	-	-
Increase / (decrease) in trade payables	7.45	10.47
Increase / (decrease) in other financial liabilities	14.53	(57.80)
Increase / (decrease) in other current liabilities	12.28	0.66
<b>Cash generated from operating activities</b>	<b>(193.17)</b>	<b>(1,967.33)</b>
Income tax paid	(24.80)	(31.56)
<b>Net cash (used in) operating activities (A)</b>	<b>(217.98)</b>	<b>(1,998.89)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(20.18)	(4.31)
Proceeds from sale of fixed assets	-	1.52
(Increase) / Decrease in intangibles under development	(16.51)	(15.94)
Increase in intangible assets	(107.77)	(0.50)
Sale of mutual funds	940.51	-
Gain on sale of mutual funds	61.29	2.46
Purchase of mutual funds	(580.00)	(821.91)
<b>Net cash (used in) investing activities (B)</b>	<b>277.35</b>	<b>(838.68)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Issue of equity share capital	-	48.22
Instruments entirely in equity nature	-	(131.25)
Share premium on Conversion of GCD & CCCPS to Equity	-	3,114.31
Equity component on financial instruments	-	(119.49)
Proceeds from / (repayment of) short-term borrowings (net)	-	(63.77)
Interest expense	-	(13.75)
<b>Net cash generated from financing activities (C)</b>	<b>-</b>	<b>2,834.27</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>59.37</b>	<b>(3.30)</b>
Cash and cash equivalents at the beginning of the period	3.54	6.84
<b>Cash and cash equivalents at the end of the period</b>	<b>62.91</b>	<b>3.54</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	0.14
Cheques on hand	-	0.09
Balances with banks	-	-
- On current account	62.78	3.31
<b>Total cash and cash equivalents</b>	<b>62.91</b>	<b>3.54</b>
Summary of significant accounting policies -	Refer note 1 - 4	


The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Manian & Rao  
Chartered Accountants


Firm Registration Number: 0019835


  
Paresh Daga  
Partner  
Membership No. 211468



Place: Bengaluru  
Date: 24th May, 2019

For School Guru Eduserve Pvt Ltd

  
Shantanu Rooj  
Director  
DIN : 00200275

  
Ravi Vishwanath  
Director  
DIN : 07332234

Place: Bengaluru  
Date: 24th May, 2019

Place: Bengaluru  
Date: 24th May, 2019



**School Guru Eduserve Private Limited**

Note 5 : Statement of changes in equity  
for the year ended on 31 March 2019

(Amount in ₹ lakhs)

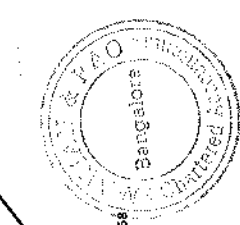
A Equity share capital	
Balance as at 31 March 2017	34.72
Changes in equity share capital during 2017-18	48.22
Balance as at 31 March 2018	82.94
Changes in equity share capital during 2018-19	-
Balance as at 31st March 2019	82.94

B Instruments entirely in equity nature	
Compulsorily Convertible Debentures	
Balance as at 31 March 2017	131.25
Changes in 2017-18	(131.25)
Balance as at 31 March 2018	-
Changes in 2018-19	-
Balance as at 31st March 2019	-

C Other equity	Reserves and surplus			Equity component of financial instrument	Total
	Securities premium	Share-based payment reserve	Retained earnings		
Balance as on 31 March 2018	165.92	6.32	(3,265.77)	280.14	(2,817.39)
Profit for the year	-	-	(618.63)	-	(618.63)
Other comprehensive income (net of tax)	-	-	8.22	-	8.22
Total comprehensive income for the year	-	-	(610.41)	-	(610.41)
Transactions with owners recognised directly in equity					
On issue of equity share capital	3,114.31	-	-	(280.14)	2,834.17
On issue of preference shares to Team/Lease	-	-	-	160.65	160.65
Share-based payments expense	-	30.38	-	-	30.38
Balance as on 31 March 2018	3,280.22	36.70	(3,880.18)	160.65	(402.60)
Profit for the period	-	-	(68.84)	-	(68.84)
Other comprehensive income (net of tax)	-	-	2.33	-	2.33
Total comprehensive income for the year	-	-	(66.51)	-	(66.51)
Transactions with owners recognised directly in equity					
Dividends	-	-	-	-	-
On issue of equity share capital	-	-	-	-	-
On issue of preference shares to Team/Lease	-	-	-	-	-
Share based payments to employees	-	9.78	-	-	9.78
Option lapsed after Vesting Date	-	(5.20)	-	-	(5.20)
Changes during the year	-	-	-	5.20	5.20
Balance as on 31 March 2019	3,280.22	41.28	(3,941.48)	160.65	(459.32)

Significant accounting policies 1-4  
Notes referred to above form an integral part of the standalone financial statements 5-43

For Manian & Rao  
Chartered Accountants  
Firm Registration Number: 0015835



For School Guru Eduserve Pvt Ltd  
Director: Ravi Venkatesh  
DN: 07932234  
Place: Bengaluru  
Date: 24th May, 2019

For School Guru Eduserve Pvt Ltd  
Director: Shantanu Raoj  
DN: 00200275  
Place: Bengaluru  
Date: 24th May, 2019



For Manian & Rao  
Chartered Accountants  
Firm Registration Number: 0015835  
Partner: Viresh Daga  
Membership No. 211468  
Place: Bengaluru  
Date: 24th May, 2019

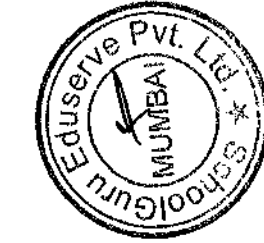
**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

(Amount in ₹ lakhs)

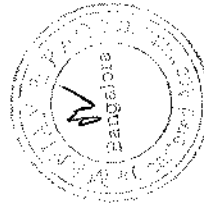
**6A. Property, plant and equipment**

**Changes in the carrying amount of property, plant and equipment**

	Computer System					Office Equipments	Camera	Total
	Computer System	Air Conditioners	Electrical Fittings	Furniture and Fixtures	Office Equipments			
Gross carrying amount as at 1 April 2018	68.75	3.95	4.40	21.23	11.96	4.06	114.34	
Additions	4.58	1.33	-	11.65	1.82	0.79	20.18	
Disposal/retirements/derecognition	-	-	-	-	-	-	-	
Gross carrying amount as at 31 March 2019	73.33	5.28	4.40	32.88	13.78	4.85	134.51	
Accumulated depreciation as at 01 April 2018	64.10	3.43	3.13	14.10	9.18	3.32	97.26	
Depreciation	2.97	0.76	0.34	3.81	1.73	0.68	10.29	
Disposal/retirements/derecognition	-	-	-	-	-	-	-	
Accumulated depreciation as at 31 March 2019	67.07	4.19	3.47	17.91	10.91	4.00	107.55	
Carrying amount as at 01 April 2018	4.64	0.52	1.27	7.13	2.77	0.74	17.08	
Carrying amount as at 31 March 2019	6.26	1.09	0.93	14.97	2.87	0.85	26.97	



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## School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

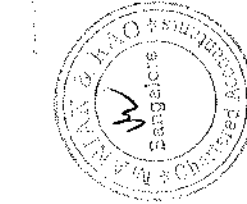
(Amount in ₹ lakhs)

### 68 Intangible assets

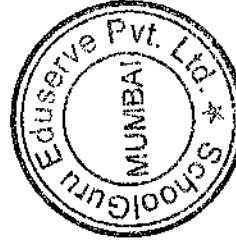
Changes in the carrying amount of other intangible assets

	Other than Internally Generated		Internally Generated		Total of Intangible Assets	Intangible Assets Under Development		Total of Intangible Assets under Development
	Software	Internally Generated	Content			Technology	Under Development	
			UMS Software	Content				
Gross carrying amount as at 1 April 2018	13.11	-	-	-	13.11	15.94	-	15.94
Additions	-	67.76	41.59	-	109.36	69.41	58.05	127.46
Deduction -	-	1.59	-	-	1.59	69.36	41.59	110.95
<b>Gross carrying amount as at 31 March 2019</b>	<b>13.11</b>	<b>66.17</b>	<b>41.59</b>	<b>-</b>	<b>120.88</b>	<b>15.99</b>	<b>16.46</b>	<b>32.46</b>
Accumulated depreciation as at 01 April 2018	10.74	-	-	-	10.74	-	-	-
Depreciation	1.02	13.35	6.94	-	21.31	-	-	-
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31 March 2019</b>	<b>11.76</b>	<b>13.35</b>	<b>6.94</b>	<b>-</b>	<b>32.06</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount as at 01 April 2018</b>	<b>2.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.37</b>	<b>15.94</b>	<b>-</b>	<b>15.94</b>
<b>Carrying amount as at 31 March 2019</b>	<b>1.35</b>	<b>52.82</b>	<b>34.65</b>	<b>-</b>	<b>88.82</b>	<b>15.99</b>	<b>16.46</b>	<b>32.46</b>

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# School Guru Eduserve Private Limited

## Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2019

(Amount in ₹ lakhs)

	31 March 2019	31 March 2018
<b>7 Non current investments</b>		
<b>Investments (Unquoted)</b>		
<b>Investments in equity instruments of other entities measured at fair value through Profit and Loss</b>		
Systematix Commodities Services Pvt. Ltd*	4.27	-
Less: Provision for Diminution in the Value of Investments	<u>(4.27)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>8 Loans</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Security deposits	23.18	8.38
	<u>23.18</u>	<u>8.38</u>

**Note:**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**9 Deferred tax assets**

**Deferred liabilities**

-Fair valuation of current investment	1.08	4.86
-Fair valuation of financial instruments		30.20

**Deferred assets**

- Difference WDV as per books and Tax laws on property, plant and equipment and intangible asset	1.08	
-Provision for employee benefits		6.70
-Tax losses and unabsorbed depreciation		22.26

**Net deferred tax asset**

	<u>-</u>	<u>-</u>
--	----------	----------

The Company have unabsorbed depreciation and losses under tax laws and it is not probable that taxable profits will be available in the near future. Hence, deferred tax assets on temporary differences have been recognized only to the extent of net deferred tax liabilities.

**10 Other non-current assets**

*(Unsecured, considered good unless otherwise stated)*

Capital advances	-	1.01
	<u>-</u>	<u>1.01</u>

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.



**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

(Amount in ₹ lakhs)

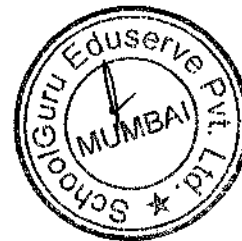
	31 March 2019	31 March 2018
<b>11 Current investments</b>		
Investments in Mutual funds measured at fair value through Profit and Loss (quoted)		
Birla Sun Life Saving Fund 35,308.79 units (2018: 88,390 units )	465.55	369.08
ICICI Prudential Flexible Income Plan - Reg - Growth 1,50,430.55 units (2018: 1,41,457.64 units )	-	471.50
	<u>465.55</u>	<u>840.58</u>
Aggregate of quoted investments	465.55	840.58
<b>12 Trade receivables</b>		
(Unsecured)		
Trade receivables with related parties (refer note 37)	4.11	0.88
Trade receivables (Unsecured) :		
- Considered good	355.34	53.74
- Considered doubtful	<u>13.61</u>	<u>9.98</u>
	373.05	64.60
Less: Allowance for bad and doubtful trade receivables	13.61	9.98
	<u>359.44</u>	<u>54.62</u>

Break-up of security details

	31 March 2019	31 March 2018
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	359.44	54.62
Trade receivables which have significant increase in credit risk		
Trade Receivables- credit impaired	13.61	9.98
<b>Total</b>	<b>373.05</b>	<b>64.60</b>
Allowance for doubtful debts	13.61	9.98
<b>Total trade receivable</b>	<b>359.44</b>	<b>54.62</b>

Notes:

- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing.
- The Company's exposure to credit risk, currency risk and loss allowance on trade receivables are disclosed in Note 32.3
- Trade receivables are subject to balance confirmations.



**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

(Amount in ₹ lakhs)

	31 March 2019	31 March 2018
<b>13 Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	0.13	0.14
Cheques in hand		0.09
Balances with banks		
- In current accounts	62.78	3.31
	<u>62.91</u>	<u>3.54</u>
<b>14 Loans</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
<b>Loans and advances</b>		
- Loan to employees	-	1.04
	<u>-</u>	<u>1.04</u>

**Note:**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**15 Other current financial assets**  
*(Unsecured, considered good unless otherwise stated)*

Advance for Investment (ICICI Prudential Flexible Income Plan -Reg-Growth)	-	30.00
Stamp duty receivable	1.72	1.72
Less: Provision for Stamp Duty Receivable	1.72	
	<u>-</u>	<u>31.72</u>

**Note:**

(i) Other financial assets are measured at amortised cost

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

**16 Other current assets**  
*(Unsecured, considered good unless otherwise stated)*

Advance to suppliers	0.25	-
Prepaid expenses	0.88	0.94
Prepaid lease rentals	-	0.75
Imprest advance	0.52	0.57
	<u>1.65</u>	<u>2.26</u>

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.



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## School Guru Eduserve Private Limited

### Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2019

(Amount in ₹ lakhs)

	31 March 2019	31 March 2018
<b>17 Share capital</b>		
<b>Authorised:</b>		
89,59,700 (89,59,700 ) equity shares of ₹ 10 each fully paid up	895.97	895.97
1,92,703( 1,92,703 ) Preference shares of ₹ 1000 each fully paid up	1,927.03	1,927.03
2,70,000 (2,70,000 ) Preference shares of ₹ 10 each fully paid up	27.00	27.00
	2,850.00	2,850.00
<b>Issued subscribed and fully paid up:</b>		
8,29,423 (8,29,423) equity shares of ₹ 10 each fully paid up	82.94	82.94
	82.94	82.94

17.1 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of share	(₹ in	Number of shares	(₹ in lakhs)
<b>Equity shares</b>				
At the beginning of the year	8,29,423	82.94	3,47,231	34.72
Add: Shares issued on conversion of CCPS	-	-	4,12,771	41.28
Add: Shares issued on conversion of CCD	-	-	69,421	6.94
<b>Outstanding at the end of the year</b>	<b>8,29,423</b>	<b>82.94</b>	<b>8,29,423</b>	<b>82.94</b>

17.3 The Company has only one class of equity shares having a par value of ₹ 10. Each shareholder of equity shares is entitled to one vote per share.

17.4 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

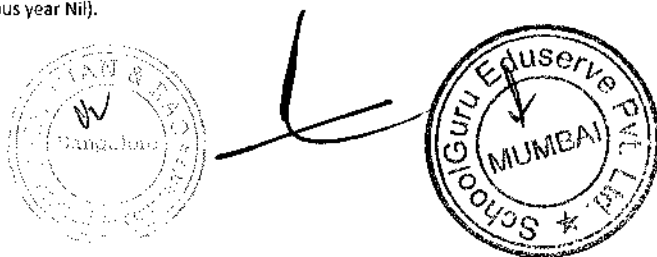
Name of the shareholders	Number of shares as at 31 March 2019	% of shares held	Number of shares as at 31 March 2018	% of shares held
TeamLease Services Limited	1,84,068	22.19%	1,84,068	22.19%
Broadlyne Infoservices Pvt Ltd	1,40,967	17.00%	1,40,967	17.00%
Consolidated Technical Services India LLP	95,928	11.57%	95,928	11.57%
Shantanu Roj	92,278	11.13%	92,278	11.13%
N Squared Management LLC	65,187	7.86%	65,187	7.86%

17.5 Number of Preference shares held by each shareholder holding more than 5% shares in the Company are as follows:

Name of the shareholders	Number of shares as at 31 March 2019	% of shares held	Number of shares as at 31 March 2018	% of shares held
TeamLease Services Limited (Series D Convertible Cumulative Preference Shares (CCPS))*	2,69,681	100.00%	2,69,681	100.00%

\*Series D Convertible Cumulative Preference Shares (CCPS) is issued to Teamlease Services Limited amounting to Rs. 26.96 lacs with premium of Rs. 1323.03 lacs. Series D CCPS with 0.1% dividend rate is treated as compound financial instrument and hence, the equity portion is presented as "Other Equity" and liability component is presented under borrowing.

17.51 Aggregate number of equity shares allotted as fully paid up by way of bonus shares for the period of five years immediately preceding the Balance Sheet date Nil (Previous year Nil).

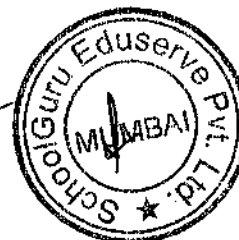


## School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

(Amount in ₹ lakhs)

	31 March 2019	31 March 2018
<b>18. Instruments entirely in equity nature</b>		
Compulsorily convertible debentures		
Opening balance	-	131.25
Add : Issue of debentures	-	-
Less: Conversion of debentures	-	(131.25)
	<u>-</u>	<u>-</u>
<b>19 Other equity</b>		
<b>1 Securitles premium</b>		
Opening balances	3,280.22	165.92
Add : Equity Shares issued on premium	-	3,114.31
Closing balance	<u>3,280.22</u>	<u>3,280.22</u>
<b>2 Equity component of financial instruments</b>		
Opening balance	160.65	280.14
Add : On account of Issuance of CCD	-	-
Add : On account of issuance of CCPS D Series	-	160.65
Less : On issue of equity shares	-	280.14
Closing balance	<u>160.65</u>	<u>160.65</u>
<b>3 Share-based payment reserve</b>		
Opening balances	36.70	6.32
Add : Employee stock option expense	9.78	30.38
Less : Effect of option lapsed after vesting date	5.20	-
Less : On Issue of equity shares	-	-
Closing balance	<u>41.28</u>	<u>36.70</u>
<b>3 Surplus / (Deficit)</b>		
Opening balances	(3,880.18)	(3,269.77)
Add : Profit / (Loss ) for the year	(68.84)	(618.63)
Add : Transfer from Other comprehensive income	2.33	8.22
Add: Transfer from share-based payment reserve	5.20	-
Closing balance	<u>(3,941.48)</u>	<u>(3,880.18)</u>
	<u>(459.32)</u>	<u>(402.60)</u>



# School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2019

(Amount in ₹ lakhs)

	31 March 2019	31 March 2018
<b>NON CURRENT LIABILITIES</b>		
<b>20 Borrowings</b>		
<b>Unsecured borrowings</b>		
<b>Compulsorily convertible preference shares</b>		
- CCPS D Series 2,69,681 preference shares ( dividend rate @ 0.1%)	1,350.04	1,233.86
	<b>1,350.04</b>	<b>1,233.86</b>

Each of the CCPS is convertible into equity shares after 31.03.2018 or at any time at the option of the holder of the CCPS, not later than 20 years.

## Net debt reconciliation

Particulars		Borrowings
<b>Balance as at 1 April 2018</b>	1,233.86	2,734.80
Cash flow changes		
Loan taken during the year	-	247.35
Repayment of loans	-	(311.12)
Liability component of CCPS D series (including interest)	-	1,233.86
Interest expenses	116.18	138.36
Interest paid	-	(13.75)
Interest pertaining to CCPS D	-	(44.50)
Conversion of liability component of CCPS ( A, B & C Series) and CCD into equity shares	-	(2,751.14)
<b>Balance as at 31 March 2019</b>	<b>1,350.04</b>	<b>1,233.86</b>

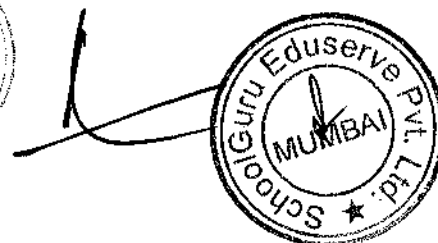
Note:

## 21 Provisions

Provision for employee benefits		
- Compensated Absences	12.63	8.07
	<b>12.63</b>	<b>8.07</b>

## 22 Other Non Current Liabilities

Performance Security Deposit	-	0.10
	<b>-</b>	<b>0.10</b>



# School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2019

(Amount in ₹ lakhs)

	31 March 2019	31 March 2018
<b>CURRENT LIABILITIES</b>		
<b>23 Trade payables</b>		
Trade payables (Micro and Small Enterprises)	-	-
Trade payables (Other than Micro and Small Enterprises)	30.78	23.34
	<u>30.78</u>	<u>23.34</u>
<b>Notes:</b>		
(i) Trade payables to related parties are disclosed in note 37.		
<b>24 Other current financial liabilities</b>		
Creditor for expenses	17.17	8.52
Payable to Freelancer	0.74	2.56
Payable to professors	0.60	0.32
Payable to partners	0.15	-
Payable to employees	45.94	39.52
Employee reimbursement	6.01	5.17
	<u>70.61</u>	<u>56.09</u>
(i) Balances payables to related parties are disclosed in note 37.		
<b>25 Other current liabilities</b>		
Contract liabilities (Refer note 43)	0.09	1.68
Statutor dues payable	22.82	8.95
	<u>22.91</u>	<u>10.63</u>
<b>26 Provisions</b>		
Provision for employee benefits		
- Compensated absences	3.81	2.45
- Gratuity (Refer note 35(2))	22.97	15.27
	<u>26.78</u>	<u>17.71</u>



**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

(Amount in ₹ lakhs)	Year Ended	
	31 March 2019	31 March 2018
<b>27 Revenue from operations</b>		
Education Support Services	849.90	298.40
Other operating revenues	12.06	10.20
	<b>861.95</b>	<b>308.61</b>
Reconciliation of revenue recognised with contract price:		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Contract Price	861.95	308.61
Adjustments for:	-	-
Contract liabilities	-	-
Refund Liabilities	-	-
Incentives and performance bonus	-	-
Revenue from continuing operations	861.95	308.61

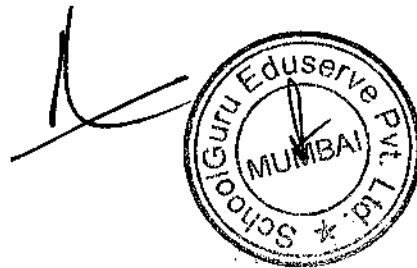
The Company has applied Ind AS 115 - Revenue from contracts with customers from 1 April 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

The Company has adopted Ind AS 115 using the modified retrospective approach, with the effect of applying this standard recognised at the date of application i.e. from 1st April 2018. Accordingly, the information presented for year ended 31 March 2018 has not been restated - i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information."

After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

**28 Other income**

Interest income	0.80	0.01
Profit on sale of fixed assets (net)	-	0.24
Fair value changes in mutual funds (including gain on sale)	46.78	21.13
Sundry balances written back	1.72	28.22
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	0.28	0.02
	<b>49.57</b>	<b>49.62</b>

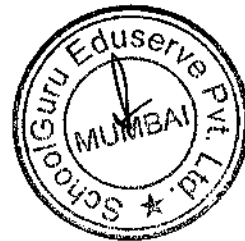


## School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

(Amount in ₹ lakhs)

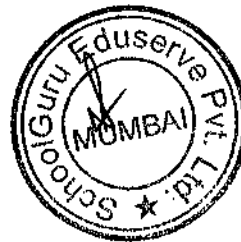
	Year Ended 31 March 2019	31 March 2018
<b>29 Employee benefits expense</b>		
Salaries, wages and incentives	432.46	396.78
Contribution to provident fund and Other funds(Refer note 35(1))	22.43	19.42
Employee Compensation Expenses (ESOP)	9.78	30.38
Staff welfare expenses	7.47	4.44
Leave encashment	7.15	4.98
Gratuity expenses (Refer note 35(2))	10.27	10.88
Directors remuneration	43.39	41.24
	<u>532.97</u>	<u>508.12</u>
<b>30 Finance costs</b>		
Interest expense	-	13.75
Interest expense on unwinding of preference shares liability	116.18	88.52
Interest expense on unwinding of debentures	-	36.09
Bank charges	0.15	0.25
	<u>116.33</u>	<u>138.61</u>



# School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

(Amount in ₹ lakhs)	Year Ended	
	31 March 2019	31 March 2018
<b>31 Other expenses</b>		
Travelling expenses	46.50	31.65
Local conveyance	3.81	1.60
Advertising - Sales & Marketing	20.30	6.10
Cost of professional sub-contracting (net)	13.26	34.23
Office Expenses	8.27	11.59
Power and fuel	4.85	4.47
Rent (Refer note 38)	48.63	49.49
Repairs and maintenance -		
- plant & equipment	-	-
- others	5.00	7.60
Insurance	0.40	0.25
Rates & taxes	0.85	2.70
Telecome And Internet Expenses	8.18	11.21
Provision for bad and doubtful debts	9.91	9.98
Provision for other Receivable	1.72	-
Fair value changes of investment in systematrix controls india	-	4.30
Sundry balances written off	0.36	65.31
Promotion Sales And marketing	14.24	7.09
Printing & stationery	6.77	8.20
Auditors remuneration (net of service tax)	-	-
- Audit fees	3.88	5.65
- Company Law Matters	-	-
- Fees for other services	-	-
- Out of pocket expenses reimbursed	-	-
Legal and professional services	4.51	18.22
Hosting services - Email / web	13.13	8.64
Comission Expenses	52.65	14.79
Miscellaneous expenses (net)	32.24	15.47
	<u>299.46</u>	<u>318.55</u>



**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

**32 Financial Instruments**

**32.1 Financial Instruments by category**

The carrying value and fair value of financial instruments by categories as on 31 March 2019 are as follows:

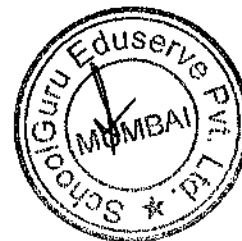
Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value	Total fair value
<b>Assets</b>					
Investments in mutual funds	-	465.55	-	465.55	465.55
Trade receivables	359.44	-	-	359.44	359.44
Cash and cash equivalents	62.91	-	-	62.91	62.91
Other balances with banks	-	-	-	-	-
Loans	23.18	-	-	23.18	23.18
Other financial assets	-	-	-	-	-
<b>Total Assets</b>	<b>445.53</b>	<b>465.55</b>	<b>-</b>	<b>911.08</b>	<b>911.08</b>
<b>Liabilities</b>					
Borrowings	1,350.04	-	-	1,350.04	1,350.04
Trade payables	-	-	-	-	-
Other financial liabilities	70.61	-	-	70.61	70.61
<b>Total Liabilities</b>	<b>1,420.65</b>	<b>-</b>	<b>-</b>	<b>1,420.65</b>	<b>1,420.65</b>

The carrying value and fair value of financial instruments by categories as on 31 March 2018 were as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value	Total fair value
<b>Assets</b>					
Investments in mutual funds	-	840.58	-	840.58	840.58
Trade receivables	54.62	-	-	54.62	54.62
Cash and cash equivalents	3.54	-	-	3.54	3.54
Loans	9.41	-	-	9.41	9.41
Other financial assets	31.72	-	-	31.72	31.72
<b>Total Assets</b>	<b>99.29</b>	<b>840.58</b>	<b>-</b>	<b>939.87</b>	<b>939.87</b>
<b>Liabilities</b>					
Borrowings	1,233.86	-	-	1,233.86	1,233.86
Trade payables	23.34	-	-	23.34	23.34
Other financial liabilities	56.09	-	-	56.09	56.09
<b>Total Liabilities</b>	<b>1,313.28</b>	<b>-</b>	<b>-</b>	<b>1,313.28</b>	<b>1,313.28</b>



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**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

**32.1 Financial Instruments by category (continued)**

**32.2 Fair value hierarchy**

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2019 :

Particulars	As at 31 March 2019	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in mutual funds	465.55	465.55		
Borrowings	1,350.04		1,350.04	

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2018 :

Particulars	As at 31 March 2018	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in mutual funds	840.58	840.58		
Borrowings	1,233.86		1,233.86	

**32.2 Fair value hierarchy (continued)**

Valuation technique and significant unobservable inputs:

Level 2:

(i) Borrowings are valued using the discounted cash flow method, the net cash flows expected to be generated are discounted using the cost of borrowing that are directly or indirectly observable in the market.



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## School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

### 32.3 Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks arising from financial instruments:

#### a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations and arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109: Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

#### i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team at each geography which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

#### Trade receivables that were not impaired

Particulars	Carrying amount	
	31 March 2019	31 March 2018
Neither past due nor impaired		
Past due 1- 60 days	178.01	6.74
Past due 61 - 180 days	163.18	47.88
Past due 181 - 270 days	18.25	
More than 270 days		

#### iii. Cash and bank balances

The Company held cash and bank balances of ₹ 62.91 lakhs and ₹ 9.54 lakhs as on 31 March 2019 and 31 March 2018 respectively.



# School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

**b. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. In order to maintain liquidity, the Company invests its excess funds in short term liquid assets like liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

	31 March 2019	31 March 2018
Particulars	62.91	3.54
Cash and cash equivalents	465.55	840.58
Investments in Mutual funds (quoted)	528.46	844.12
Total		

The following are the remaining contractual maturities of financial liabilities as on 31 March 2019.

Particulars	Less than 1 year	Above 1 year	Total
Borrowings*	-	-	-
Trade payables	30.78	-	30.78
Other financial liabilities	70.61	-	70.61

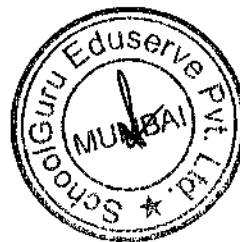
The following are the remaining contractual maturities of financial liabilities as on 31 March 2018.

Particulars	Less than 1 year	Above 1 year	Total
Borrowings*	-	-	-
Trade payables	23.34	-	23.34
Other financial liabilities	56.09	-	56.09

\*Note: Compulsorily Convertible Preference Share and Compulsorily convertible Debenture shown under schedules of Borrowings are not shown in above ageing as they are not repayable and convertible to equity shares on maturity.



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## School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

### 32.3 Financial risk management (continued)

#### c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and bank deposits. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

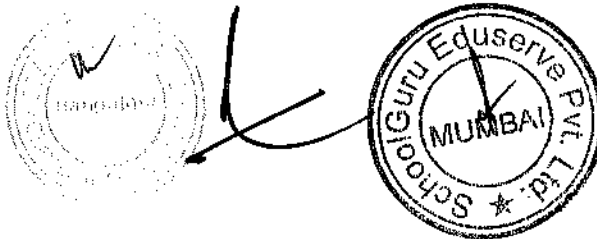
Particulars	31 March 2019	31 March 2018
Fixed rate instruments Financial liabilities	1,350.04	1,233.86
Variable rate instruments Financial liabilities	-	-

### 33 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March, 2018



**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

**34 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:**

Company is in process of collecting information from its vendors for their status under "The Small, Medium and Micro Enterprises Development Act 2006", however in absence of any information no disclosures have been made in this regards.

**35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":**

**1 Defined contribution plan - Provident fund**

The group has recognized following amounts in the profit & loss account for the year:

Particular	FY 2018-19	FY 2017-18
Contribution to employee provident fund	22.43	19.42
<b>Total</b>	<b>22.43</b>	<b>19.42</b>

**2 Defined benefit plan**

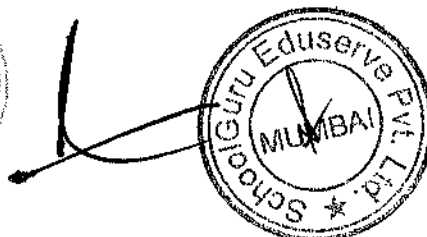
- The defined benefit plan comprises gratuity, which is funded.
- Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

**35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (continued)**

	FY 2018-19	FY 2017-18
<b>Changes in present value of the defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	25.90	24.97
Current service cost	8.88	9.94
Interest cost	1.94	1.61
Past service cost	-	0.06
Actuarial loss / (Gain) recognised in other comprehensive income	(0.00)	-
a) changes in demographic assumptions	0.89	(0.92)
b) changes in financial assumptions	(3.24)	(7.25)
c) experience adjustments	-	(2.52)
Benefits paid	34.37	25.90
Present value of defined benefit obligation at the end of the year		
<b>Changes in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the period	10.63	12.36
Interest income	0.81	0.76
Contributions	0.23	0.17
Mortality Charges and Taxes	(0.26)	(0.20)
Benefit Paid	-	(2.52)
Actuarial loss / (Gain) recognised in other comprehensive income	(0.09)	0.22
a) Experience (Gain) / Loss on plan assets	0.08	(0.16)
b) Financial (Gain) / Loss on plan assets	11.40	10.63
Fair value of plan assets at the end of the period		
<b>Reconciliation of Net Assets / (Liability) recognised</b>		
Net asset/(liability) recognised at beginning of the period	(15.27)	(12.61)
Company contribution	0.23	0.17
Benefit directly Paid by company	-	-
Amount recognised outside Profit & Loss for the Year	2.33	8.22
Expenses recognised at the end of the period	(10.02)	(10.85)
Mortality Charges and Taxes	(0.26)	(0.20)
Impact of Transfer (In)/out	-	-
Net asset/(liability) recognised at end of the period	(22.97)	(15.27)
<b>Analysis of defined benefit obligation</b>		
Present Value of Obligation at end of the period	34.37	25.90
Fair Value of the Plan assets at the end of the period	11.40	10.63
Surplus / (Deficit)	(22.97)	(15.27)
Current liability	-	-
Non - Current liability	-	-
Amount not Recognised due to asset ceiling	-	-
Net asset/(liability) recognised in balance sheet	(22.97)	(15.27)



# School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

	FY 2018-19	FY 2017-18
<b>Components of employer expenses/remeasurement recognized in the statement of Profit and Loss</b>	<b>8.88</b>	<b>9.94</b>
Current service cost	-	0.06
Past service cost	1.14	0.85
Interest cost net	10.02	10.85
Expenses recognized in the Statement of Profit and Loss		
<b>Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)</b>	<b>(2.33)</b>	<b>(8.22)</b>
Actuarial loss / (gain)	(2.33)	(8.22)
Net (income)/expense recognized in the OCI		
<b>Net Interest(Income)/expenses :</b>	<b>1.94</b>	<b>1.61</b>
Interest (Income)/Expenses - obligation	(0.81)	(0.76)
Interest (Income)/Expenses - Plan Assets	1.14	0.85
Net Interest (Income)/Expenses for the year		
<b>Remeasurements For The Year (Actuarial (Gain)/Loss)</b>	<b>(3.24)</b>	<b>(7.25)</b>
Experience (Gain)/Loss on plan liabilities	-	-
Demographic (Gain)/Loss on plan liabilities	0.89	(0.92)
Financial (Gain)/Loss on plan liabilities	0.09	(0.22)
Experience (Gain)/Loss on plan assets	(0.08)	0.16
Financial (Gain)/Loss on plan assets	(2.33)	(8.22)
Total Remeasurements Cost/(credit) for the year recognised in OCI		
<b>Actuarial Assumptions:</b>	<b>7.00%</b>	<b>7.50%</b>
Discount rate	11.00%	11.00%
Salary Escalation		
<b>Attrition Rate</b>	<b>20.00%</b>	<b>20.00%</b>
- Upto 30 years and below	20.00%	20.00%
- 30 years and above		

35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (continued)

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2005-08) Ultimate.

	FY 2018-19	FY 2017-18
<b>Major Categories of Plan Assets (As % of total Plan Assets)</b>	<b>100%</b>	<b>100%</b>
Funds managed by insurer	0.00%	0.00%
Others	100%	100%
Total		

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

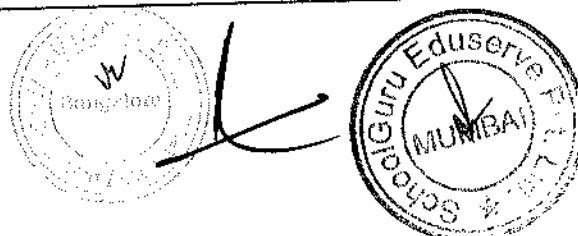
Projected benefit obligation on current assumptions	FY 2018-19		FY 2017-18	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	32.63	36.28	24.69	27.23
Future salary growth (1 % movement)	35.81	33.01	26.94	24.93
Attrition rate (1 % movement)	34.84	33.94	25.71	26.10

### Maturity profile of defined benefit plan

	FY 2018-19	FY 2017-18
<b>Projected benefits payable in future years from the date of reporting</b>	<b>3.46</b>	<b>2.28</b>
With 1 year	4.45	2.77
1-2 year	5.85	3.84
2-3 year	6.37	5.11
3-4 year	9.59	5.75
4-5 year	49.02	38.70
5-10 years		

35 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (continued)

	FY 2018-19	FY 2017-18
<b>Weighted average assumptions used to determine net periodic benefit cost</b>	<b>116</b>	<b>88</b>
Number of active members	22.33	16.91
Per month salary cost for active members (₹ lakhs)	7.97	8.09
Weighted average duration of the projected benefit obligation (years)	34.18	33.74
Average expected future service (years)		



**School Guru Eduserve Private Limited**  
Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

**Expected Contribution for the next year**

The Company has contributed Rs 0.17 lakhs to its gratuity fund in 2018. The Company expects to contribute Rs 9 lakhs towards gratuity fund in 2019.

	FY 2018-19	FY 2017-18
Expected expenses to be recognized in Profit & Loss Account for Next Year	11.29	8.88
Service Cost	1.60	0.81
Net Interest Cost	12.89	9.69
Expected Expenses for next years		

**36 Segment information**

The Company's operating business predominantly relates to providing Technology enabled learning solutions to distance education courses of universities and hence the Company has considered "Distance learning solutions" as the single reportable segment.

**37 Related party disclosures**

**A. Relationship between the entities**

Relationship	Name of related party
Enterprise over which key Managerial Personnel are able to exercise significant influence.	Teamlease Services Ltd (w.e.f 2nd November, 2017) Broadlyne Infoservices Pvt. Ltd.

**B. List of Key Management Personnel :**

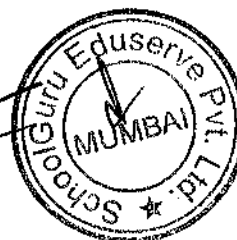
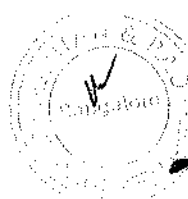
Key Management Personnel (KMP)		
	Shantanu Rooj	Executive Director
	Ravi Vishwanath	Non- executive Director
	Sandeep Mehta	Non- executive Director
	Ashok Kumar Nedurumalli (Upto 21/01/2019)	Non- executive Director
	Kunal Kumthekar	Non- executive Director
	Rituparna Chakraborty (From 21/01/2019)	Non- executive Director

**C. List of other related parties with whom there are transactions**

Relative of KMP	Kavita Rooj - Spouse of Director
-----------------	----------------------------------

**D. Transactions with related parties**

No.	Name of related party	FY 2018-19		FY 2017-18	
		Amount of transactions during the year (₹ Lakhs)	Balance as on 31 March 2019 Debit/(Credit) (₹ lakhs)	Amount of transactions during the year (₹ Lakhs)	Balance as on 31 March 2018 Debit/(Credit) (₹ lakhs)
<b>Transactions with Parties Having Substantial Interest</b>					
1	Teamlease Services Ltd				
	Allotment of CCPS	-	-	1,350.00	1,350.00
	Revenue	4.11	4.11	0.88	-
	Reimbursement	-	-	1.42	0.27
2	Broadlyne Infoservices Pvt. Ltd				
	Rent	36.00	-	42.75	-
	Reimbursement of expenses (net)	2.49	-	2.79	-
	Professional fees	2.27	-	2.55	-
<b>Transactions with Key Management Personnel</b>					
1	Ravi Rangan				
	Short term employee benefits	-	-	6.86	-
	Post employment benefit plans	-	-	-	-
	Reimbursement of expenses (net)	-	-	1.58	-
2	Shantanu Rooj				
	Short term employee benefits	43.39	3.16	38.22	2.94
	Conversion of CCPS/CCD to Equity Shares	-	-	10.99	-
	Loan taken by company	-	-	89.00	-
	Repayment of loan taken	-	-	152.25	-
	Interest received	-	-	4.27	-
	Reimbursement of expenses (net)	51.95	0.10	34.65	0.18



# School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

3	Anil Bhatt				
	Short term employee benefits			3.03	-
	Other long term employee benefits			0.09	-
	Conversion of CCPS/CCD to Equity Shares			1.78	-
	Loan given			0.73	-
	Repayment of loan granted			0.22	-
4	Sandeep Mehta			15.00	-
	Loan taken by company			15.00	-
	Repayment of loan taken			0.35	-
	Interest received			-	-
5	Naresh Nagpal			198.99	-
	Conversion of CCPS/CCD to Equity Shares			22.50	-
	Loan given			22.50	-
	Repayment of loan granted			0.63	-
	Interest received			0.23	-
	Reimbursement of expenses (net)			-	-
<b>Transactions with relative of Key Management Personnel</b>					
1	Kavita Rooj				
	Short term employee benefits	12.00	0.89	9.56	0.79
	Post employment benefit plans	-	-	-	-
	Reimbursement of expenses (net)	0.60	0.05	0.30	0.05

Note : Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

## 38 Lease transactions

### Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

Particulars	31 March 2019 ₹ lakhs	31 March 2018 ₹ lakhs
Minimum lease payments		
- Not later than one year	12.48	8.69
- later than one year and Not later than five years	-	-
- Later than five years	-	-
<b>Total minimum lease payments</b>	<b>12.48</b>	<b>8.69</b>

Rental expenses of ₹ 49.49 lakhs (Previous year ₹ 45.02 lakhs) in respect of obligation under operating leases have been recognized in the Statement of Profit and Loss.

Most of the operating lease arrangements are renewable on a periodic basis. Some of these lease agreements have price escalation clauses.

## 39 Basic and diluted earnings per share

Particulars		FY 2018-19	FY 2017-18
Nominal value per equity share	₹	10	10
Profit for the year	₹ lakhs	(68.84)	(618.63)
Weighted average number of equity shares	No. of shares	8,29,423	7,85,828
Earnings per share - Basic		(8.30)	(78.72)
Earnings per share - Diluted*		(8.30)	(78.72)

\* The effect of potential equity shares i.e. ESOP and CCPS issued by teamlease has anti-dilutive effect as there is loss. Thus, the diluted EPS is same as basic EPS.

40 There are no contingent liabilities and capital commitment required to be disclosed as at 31 March 2019 and 31 March 2018.



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# School Guru Eduserve Private Limited

## Notes forming part of the standalone financial statements (continued)

for the year ended on 31 March 2019

### 41 Stock option plans

#### 1 Employee Stock Option Scheme - 2016 (ESOS - 2016)

The Company has instituted Employee Stock Option Scheme-2016 (ESOS) duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 25 August, 2016. As per the scheme, the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfilment of certain conditions.

Under the said plan, following options have been granted:

- 29,560 options as on 02 September 2016 to the employees of the company. Out of which 4,616 were not accepted by employees.
- 4,105 options as on 04 September 2016 to the employees of the company.
- 860 options as on 01 December 2016 to the employees of the company.
- 1,172 options as on 04 September 2017 to the employees of the company.

Particulars	FY 2018-19		FY 2017-18	
	Weighted average exercise price per share per option INR	Number of options	Weighted average exercise price per share per option INR	Number of options
Opening Balance	282	18,789	887.25	25723
Granted during the year	-	-	282	1,172
Exercised during the year	-	-	-	-
Forfeited during the year	282	1,878	282	8106
Closing Balance	282	16,911	282	18,789
Options Exercisable at the end of the period	282	11,166	282	5,483
Weighted average share price (INR)#	-	-	-	-

\* The exercise price of the options granted during the year 2016-17 were modified from INR 887.25 to INR 282.00 on 4 May 2017.

# Weighted average exercise price of shares is required to be disclosed, where share options are exercised during the period. As no options are exercised in the reporting period, information is not disclosed.

No Options have been granted in the financial year 2018-19.

Share options outstanding at the end of the period have the following expiry date and exercise prices as on 31 March 2019:

Grant date	Expiry date	Exercise price (INR)	No. of options
02-Sep-16	02-Sep-20	282	3,530
02-Sep-16	02-Sep-21	282	4,121
02-Sep-16	02-Sep-22	282	4,123
04-Sep-16	04-Sep-20	282	1,132
04-Sep-16	04-Sep-21	282	1,237
04-Sep-16	04-Sep-22	282	736
01-Dec-17	01-Dec-20	282	258
01-Dec-17	01-Dec-21	282	302
01-Dec-17	01-Dec-22	282	300
04-Sep-17	04-Sep-21	282	586
04-Sep-17	04-Sep-22	282	586
<b>Total</b>			<b>16,911</b>
Weighted average remaining contractual life of the options outstanding at the end of the period			2.24 years

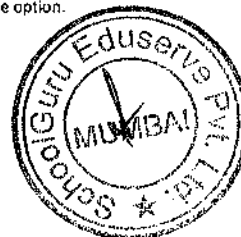
#### Stock option plans (continued)

Share options outstanding at the end of the period have the following expiry date and exercise prices as on 31 March 2018:

Grant date	Expiry date	Exercise price (INR)	No. of options
02-Sep-16	02-Sep-20	282	4,093
02-Sep-16	02-Sep-21	282	4,779
02-Sep-16	02-Sep-22	282	4,780
04-Sep-16	04-Sep-20	282	1,132
04-Sep-16	04-Sep-21	282	1,237
04-Sep-16	04-Sep-22	282	736
01-Dec-17	01-Dec-20	282	258
01-Dec-17	01-Dec-21	282	302
01-Dec-17	01-Dec-22	282	300
04-Sep-17	04-Sep-21	282	586
04-Sep-17	04-Sep-22	282	586
<b>Total</b>			<b>18,789</b>
Weighted average remaining contractual life of the options outstanding at the end of the period			3.49 years

#### Fair value of the options granted:

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation), the expected dividend yield and risk-free interest rate for the term of the option.



## School Guru Eduserve Private Limited

Notes forming part of the standalone financial statements (continued)  
for the year ended on 31 March 2019

1. Fair value and assumptions for the equity-settled grant made on 02 September 2016, 04 September 2016 and 01 December 2016.

Particulars	1-year	2-year	3-year
	vesting	vesting	vesting
Stock Price per share (Rs.)	450	450	450
Standard Deviation (Volatility)	44.92%	43.16%	41.97%
Risk-free Rate	6.89%	6.94%	7.01%
Exercise Price (Rs.)	887.25	887.25	887.25
Time to Maturity (in years)	2.50 years	3.50 years	4.50 years
Dividend yield	0.00%	0.00%	0.00%
Fair value of option (INR)	55.51	80.46	104.29

2. Incremental fair value and assumptions for modification in equity-settled grant made on 04 May 2017 for grants dated 02 September 2016, 04 September 2016 and 04 December 2016.

Particulars	1-year	2-year	3-year
	vesting	vesting	vesting
Stock Price per share (Rs.)	450	450	450
Standard Deviation (Volatility)	43.37%	43.69%	42.45%
Risk-free Rate	6.68%	6.79%	6.93%
Time to Maturity (in years)	1.83	2.83	3.83
Dividend yield	0.00%	0.00%	0.00%
Exercise Price (Original)	887.25	887.25	887.25
Exercise Price (Modified)	282	282	282
Incremental fair value of option (Rs.)	185.07	178.46	171.91

3. Fair value and assumptions for equity-settled grant made on 04 September 2017.

Particulars	1-year	2-year
	vesting	vesting
Stock Price per share (Rs.)	500.5	500.5
Standard Deviation (Volatility)	42.77%	43.62%
Risk-free Rate	6.39%	6.43%
Exercise Price (Rs.)	282	282
Time to Maturity (in years)	2.5	3.5
Dividend yield	0.00%	0.00%
Fair value of option (Rs.)	276.12	297.89

### Rationale for principle variables used:

- Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.
- The expected price volatility is based on is average of annualized standard deviation of the continuously compounded rates of return of the comparable listed companies in education sector over a period.

### Annexure A: Employee-benefit expenses to be recognised in financials

The company has recorded employee stock-based compensation expense to the options provided to the employees:

Financial year	Amount INR (In Lakhs)
31st March 2019	9.78
31st March 2018	30.38

## 42 Income taxes

The Income tax expense consists of following:

Particulars	FY 2018-19 ₹ lakhs	FY 2017-18 ₹ lakhs
Tax expense		
Current tax	-	-
Deferred tax (benefit) / charge	-	-
Total tax expense	-	-

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	FY 2018-19 ₹ lakhs	FY 2017-18 ₹ lakhs
Profit before tax	(68.84)	(618.63)
Indian statutory income tax rate	26.00%	26.00%
Expected tax expense	(17.90)	(160.84)
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Unrecognised deferred tax asset on account of losses and unabsorbed depreciation	17.90	160.84
Total tax expense	-	-



**School Guru Eduserve Private Limited**  
**Notes forming part of the standalone financial statements (continued)**  
**for the year ended on 31 March 2019**

**Deferred Tax**

The gross movement in the deferred income tax account for the year ended March 31, 2019 and March 31, 2018, is as follows:

Particulars	FY 2018-19 ₹ lakhs	FY 2017-18 ₹ lakhs
Net deferred income tax asset at the beginning	-	-
MAT Credit entitlement for the year	-	-
Credits / (charge) relating to temporary differences	-	-
Temporary differences on other comprehensive income	-	-
Net deferred income tax asset at the end	-	-

**Unrecognised deferred tax asset**

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom:

As at 31 March 2019

Particulars	31-Mar-19	
	Amount	Expiry date
Tax losses	762.45	F.Y.2020-21 to F.Y.2025-26
Unabsorbed depreciation	25.94	No expiry
Property, plant and equipment	1.96	NA
Provision for Trade Receivables and Advances	15.33	NA
Provision on employee benefits	22.97	NA
<b>Total</b>	<b>828.65</b>	

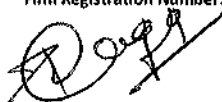
As at 31 March 2018

Particulars	31-Mar-18	
	Amount	Expiry date
Tax losses	749.71	F.Y.2019-20 to F.Y.2025-26
Unabsorbed depreciation	25.20	No expiry
<b>Total</b>	<b>774.91</b>	

**43 Contract Liabilities:**

Particulars	FY 2018-19 ₹ lakhs	FY 2017-18 ₹ lakhs
Opening balance	1.68	1.93
Add : Additions during the Year	2.22	3.49
Less : Revenue recognised during the Year	3.81	3.75
Closing balance	0.09	1.68

As per our report of even date attached  
**For Manian & Rao**  
**Chartered Accountants**  
**Firm Registration Number: 001983S**



**Paresh Daga**  
**Partner**  
**Membership No. 211468**

**Place: Bengaluru**  
**Date: 24th May, 2019**

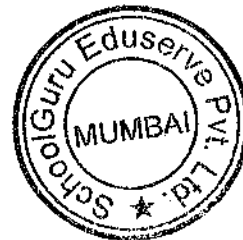


**For School Guru Eduserve Pvt Ltd**



**Shantanu Rooj**  
**Director**  
**DIN : 00200275**

**Place: Bengaluru**  
**Date: 24th May, 2019**





**Ravi Vishwanath**  
**Director**  
**DIN : 07332234**

**Place: Bengaluru**  
**Date: 24th May, 2019**

## **School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

### **1) The Corporate overview**

School Guru Eduserve Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company engages with Universities and helps them in providing distance learning courses through an online medium.

Teamlease Services Ltd acquired 22.19 % stake in the company by way of investment agreement dated 2<sup>nd</sup> November, 2017. Consequent to such acquisition the company is an associate enterprises of Teamlease Services Ltd within the meaning of section 2 (6) of Companies Act, 2013.

### **2) Significant Accounting Policies:**

This note provides a list of significant policies adopted in the preparation of these IND AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

#### **A. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 [the Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

The financial statements were approved by the Board of Directors on.

#### **B. Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

The standalone financial statements are presented in Indian Rupee and all values are rounded to nearest lakhs except when otherwise stated.

#### **C. Standards applied for the first time**

The company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 April, 2018:

- a) IND AS 115: Revenue from Contracts with Customers
- b) Amendment to IND AS 12: Income taxes
- d) Appendix B, Foreign Currency Transactions and Advance Consideration to IND AS 21, The Effects of Changes in Foreign Exchange Rates
- e) IND AS 112: Disclosure of Interests in Other Entities



  
Page | 1

**D. Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has considered twelve months as its operating cycle.

**E. Rounding of amounts**

All amounts disclosed in the Financial Statements including notes have been rounded off to the nearest lakhs in Indian Rupee (INR) as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

**F. Summary of significant accounting policies**

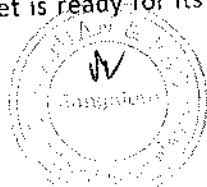
This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Property, plant and equipment**

**• Recognition and measurement**

All the items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

which they relate.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the statement of profit and loss.

- **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013.

**b) Intangible assets**

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Derecognition**

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the statement of profit and loss.

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

**c) Leases**

• **Company as a lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Payments under operating leases are recognised in the statement of profit and loss generally on straight line basis.

**d) Impairment of non-financial assets**

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

Impairment losses are recognised in the statement of profit and loss and to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

**Reversal of impairment loss**

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**e) Cash and cash equivalents**

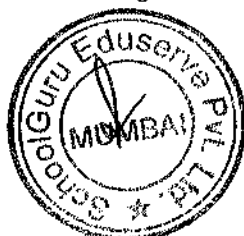
Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**f) Revenue recognition**

The Company derives revenue primarily from providing Educational Support Services viz. Admission, Examination, Content Development and Other Educational Services to various universities, Schools, Corporates, etc.

Effective 1st April, 2018, the company adopted INDAS 115 (Revenue from Contracts with customers) using Modified Retrospective approach. In accordance with the modified retrospective approach, the comparatives have not been retrospectively adjusted. Following is the summary of the new and/or revised significant accounting policy relating to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:



## **School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

- (1) Identify the contract with a customer,
- (2) Identify the performance obligations in the contract,
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract, and
- (5) Recognize revenues when a performance obligation is satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Revenue in excess of invoicing are classified as Contract Assets while invoicing in excess of revenue are classified as Contract liability.

As the company is into providing one service in nature of education support services, the company does not disaggregates revenue from contract with customers.

The specific recognition criteria described below must also be met before revenue is recognised.

### **Revenue from Category A Universities**

For services rendered on behalf of the Universities to the students by way of distance learning courses through an online medium. The revenue is recognized as follows:

- For all programs, the fee for the first term is recognized once the student confirms his admission, submits his documents and pays the fee for the same. The login details for the course is mailed by the system to the student immediately upon payment of the fees and confirmation of the submission of the documents
- Fees for subsequent term is recognized as revenue only after providing online access to course material to the students and receipt of fees for the term.

### **Revenue from Category B**

For Services provided directly to the University by way of online access of course to the students assigned by the universities, the revenue is recognized as per the terms of the contract entered with Universities. We recognise revenue once the University provides the list of students for whom the access needs to be provided in the LMS and login is provided by Schoolguru. The students are free to use the course as per their wish thereafter. Revenue is recognised once the service has been provided/provisioned to the student.

### **Employment Linked Skilling Program (ELSP)**

ELSP Success fee is recognized as revenue on enrolment to the course, provisioning of the access and delivery of the service.



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**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

**g) Performance Obligations in relation to Long term Contracts:**

Company enters into Long term contracts with the universities, there is no performance obligation outstanding in respect of these contracts as on the date of Balance Sheet. New performance obligations will commence from new Academic sessions of the Universities.

**h) Other income:**

• **Interest income**

Interest income is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

• **Dividends**

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

• **Any other incomes are accounted for on accrual basis.**

**i) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

**j) Foreign currency transactions and balances**

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.



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**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

**k) Employee Benefits**

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

**Post-employment benefits**

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**Defined benefit plans**

The employees' gratuity fund scheme managed by LIC, is the company's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

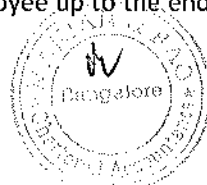
In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the statement of profit and loss.

**Other long-term employee benefits**

The liabilities for earned leave which are not expected to be settled within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method.



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**l) Share-based payments**

Employees of the Company who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**m) Income tax**

Income tax expense comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to the items recognised directly in OCI.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**n) Provisions and contingencies**

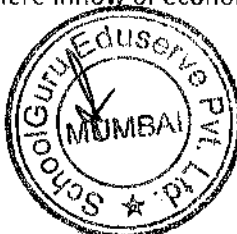
A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**o) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

Financial instruments are initially recognised when the entity becomes party to the contract.

Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the statement of profit and loss.

**Subsequent measurement of financial assets**

For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the company's business model for managing the financial assets and the contractual terms of cash flows:

- those to be measured subsequently at fair value; either through OCI or through profit or loss
- those measured at amortised cost.



## School Guru Eduserve Private Limited

Notes to the financial statements for the year ended 31 March 2019  
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For assets measured at fair value, changes in fair value will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

### *Debt instruments at fair value through other comprehensive income (FVTOCI)*

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

### *Debt instruments at fair value through profit or loss (FVTPL)*

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

### *Equity investments*

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the



## School Guru Eduserve Private Limited

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value is recorded in the statement of profit and loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using effective interest rate (EIR) method and are recognised in statement of profit or loss.

### Derecognition of financial instruments

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

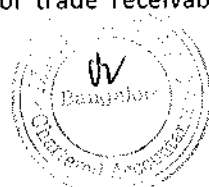
### Impairment of financial assets

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables under Ind AS 18

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the company chooses to apply practical expedient of



## **School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019  
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providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

### **q) Cash dividend**

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

### **r) Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **s) Operating reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director that makes strategic decisions

## **3) Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actuals may differ from these estimates.

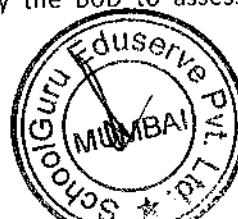
### **Judgements**

In the process of applying the Company's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **Operating segment**

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD). Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate



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**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019  
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resources.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Defined benefit obligation*

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note prepared elsewhere in the financial statement.

**Income Tax:**

Significant Judgements are involved in determining the provision for Income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

*Deferred Tax*

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019  
(All amounts are in Indian rupees lakh unless otherwise stated)

**4) Recent accounting pronouncements**

Standards issued but not yet effective.

**A. New standard Ind AS 116: Leases-**

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

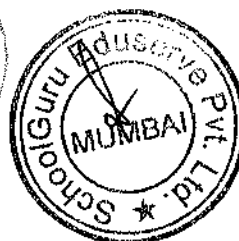
The company is in the process of evaluating the impact of Ind AS 116 requirements.

**B. Amendments to other Ind ASs-**

***i) Amendments to Ind AS 109, Financial Instruments:***

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. These amendments are not expected to have any significant impact on the company.



**School Guru Eduserve Private Limited**

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees lakh unless otherwise stated)

**ii) Amendments to Ind AS 12, Income Taxes:**

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates.

In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty. The company is in the process of evaluating the impact of Ind AS amendments.

**iii) Amendment to Ind AS 19, Employee Benefits:**



The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. These amendments are not expected to have any significant impact on the company.

**iv) Amendments to Ind AS 23, Borrowing Costs:**

When determining the funds that an entity borrows generally, paragraph 14 of Ind AS 23 required an entity to exclude borrowings made specifically for the purpose of obtaining a qualifying asset. The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. These amendments are not expected to have any significant impact on the company.

As per our report of even date attached

**For Manian & Rao**  
**Chartered Accountants**  
**Firm Registration Number: 0019835**

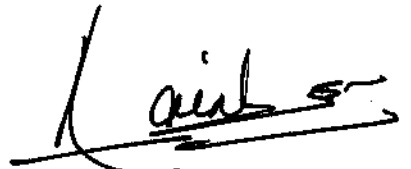
  
  
**Paresh Daga**  
Partner  
Membership No. 211468

Place: Bengaluru  
Date: 24<sup>th</sup> May, 2019

**For School Guru Eduserve Pvt Ltd**

  
**Shantanu Rooj**  
Director  
DIN : 00200275

Place: Bengaluru  
Date: 24<sup>th</sup> May, 2019

  
**Ravi Vishwanath**  
Director  
DIN : 07332234

Place: Bengaluru  
Date: 24<sup>th</sup> May, 2019

