



**Aptech**



*Unleash your potential*

# ANNUAL REPORT

## **2019-20**

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# APTECH LIMITED

## Annual Report 2019-20

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## Corporate Information

### **Board of Directors**

Rakesh Jhunjunwala, Chairman  
Vijay Aggarwal, Director  
Anil Pant, Managing Director & CEO  
Anuj Kacker, Whole Time Director  
Asit Koticha, Director (upto 15-6-2020)  
Madhu Jayakumar, Director  
Madhusudan Kela, Director  
Nikhil Dalal, Director  
Ninad Karpe, Director  
Rajiv Agarwal, Director  
Ramesh S. Damani, Director  
Utpal Sheth, Director  
Ketan H. Shah, Company Secretary

### **Registered & Corporate Office**

Aptech House, A - 65, M.I.D.C. Marol,  
Andheri (East), Mumbai - 400 093.  
Tel: +91 22 6828 2300 / 01 Fax: +91  
22 6828 2399 Email:  
[investors\\_relations@aptech.ac.in](mailto:investors_relations@aptech.ac.in)

### **Statutory Auditors**

M/s. Bansi S Mehta & Co Chartered  
Accountants,  
Merchant Chamber, 3rd Floor, 41, New  
Marine Lines Mumbai - 400 020.

### **Bankers**

#### HDFC Bank

Trade World, 'A' Wing, 2nd Floor,  
Kamla Mills Compound, Senapati Bapat  
Marg, Lower Parel, Mumbai - 400 013.

#### Axis Bank

Ahura Centre, 28, Mahakali Caves  
Road, Andheri (E), Mumbai - 400 093.

#### Yes Bank

25th Floor, Tower 2, Indiabulls Finance  
Centre, Senapati Bapat Marg, Lower  
Parel (W), Mumbai - 400 093.

#### Union Bank of India

Union Bank Bhavan, 239, 1st Floor,  
Vidhan Bhavan Marg, Nariman Point,  
Mumbai - 400 021.

### **Registrar & Transfer Agents**

KFin Technologies Pvt. Ltd.  
Selenium Building, Tower-B, Plot No 31  
& 32, Financial District, Nanakramguda,  
Serilingampally, Hyderabad,  
Rangareddi, Telangana, India - 500 032.  
Tel No : +91 40 6716 1631  
FaxNo : +91 40 2342 0814  
Email : [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

# APTECH LIMITED

## DIRECTORS' REPORT

### THE MEMBERS OF APTECH LIMITED

Your Directors are pleased to present their Twentieth Annual Report on the business and operations of your Company and the Audited Financial Statement for the year ended March 31, 2020.

### STATE OF AFFAIRS – SNAPSHOT OF FINANCIAL RESULTS

The financial results of the Company for the Accounting period ended March 31, 2020 are presented below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Operating Revenue	14,158.84	14,078.02	21,682.32	20,855.15
Total Revenue	14,571.41	14,548.58	22,226.14	21,271.88
Total Expenditure	14,618.46	13,849.78	20,508.27	19,031.50
Net Profit /(loss) before tax	(47.05)	698.80	1717.87	2,240.38
Profit / (Loss) After Tax	20.81	519.83	1350.61	1,822.11
Total Comprehensive Income	(145.13)	658.11	1179.40	1,942.95

### OPERATIONS REVIEW

The Company ended the FY2019-20 with a Revenue from Operations of Rs. 21,682 Lakhs, which translates to a growth of 4.0% over the previous financial year. This contrasted with the YOY decline reported during the last fiscal year. The Company delivered this growth despite a significant business impact from the COVID-19 pandemic in the Q4 of the FY2019-20. The COVID-19 crisis conservatively impacted the top line of the Company by an estimated Rs. 16 crores. This effect percolated to the bottom-line, as seen in the FY2019-20 EBIT decline of 27.7% to Rs. 1,493 Lakhs from Rs. 2,065 Lakhs in FY2018-19. The Profit Before Tax and the Profit After Tax were Rs. 1,718 Lakhs and Rs. 1,351 Lakhs in the reported financial year, respectively. Also, the respective YOY decline was 23.3% and 25.9% in FY2019-20. The previous financial year included a writeback of Rs. 306 Lakhs related to the non-cash ESOP expenses as against Rs. 507 Lakhs hit in the reported fiscal year. Excluding this expense head, the Profit Before Tax rose by 15%, showing the improvement in operational efficiency effected by the Company. The balance sheet of the Company continued to be healthy with zero net debt and Cash, Cash Equivalents, Short-term Investments & Financial Instruments amounting to Rs. 6,604 Lakhs as on March 31, 2020. The Company expects to repay the short-term working capital liability of Rs. 2,258 Lakhs on the balance sheet as the collection from debtors improves post relaxation of lockdown.

Notwithstanding the impact of the closure of all the Educational institutions enforced by various countries to contain the spread of the Coronavirus in February and March 2020, the Retail segment reported a 12.2% jump in its revenues during the reported financial year. The Institutional division faced a double whammy from the CAA-NRC protests and the Corona virus pandemic. There was a significant impact on its FY2019-20 revenue with a full year YOY decline

of 13.2% from a 25.5% YOY growth seen on a 9M basis. Retail EBIT swelled by 7.8% to Rs. 5,718 Lakhs, from Rs. 5,303 Lakhs in the previous year, which translates into an EBIT margin of 36.2%. The Company also continued to cut down on the corporate overhead expenses, reducing its fixed cost base, as seen in the reduction of unallocable costs.

The Retail segment revenue mix for the FY2019-20 was 81:19 in terms of the split between the Domestic and International segments. The movement in the revenue mix from 77:23 in FY2018-19 was mainly on account of continued growth in Domestic Retail and decline in the International Retail revenue, but improvement in margin mix, because of exit from low margin businesses. Domestic Retail revenue went up from Rs. 10,793 Lakhs in FY2018-19 to Rs. 12,885 Lakhs in FY2019-20, a growth of 19.4%, owing to the power brands Arena, MAAC, and Lakmé Academy Powered by Aptech. The International Retail division revenue declined by 11.4% on an overall basis, but on a like-to-like basis, i.e., excluding the low margin business contribution, it showed a growth of 3.8% in FY2019-20 even when some of its major markets were severely impacted due to COVID-19 pandemic.

The system-wide collection from students for the franchise business in the Retail segment was Rs. 42,504 Lakhs in FY2018-19 and went up to Rs. 46,514 Lakhs in FY2019-20, translating to a growth of 9.4%. Out of this total, the system-wide collection from students for Domestic Retail was Rs. 34,704 Lakhs and for International Retail was Rs. 11,810 Lakhs with a YOY growth of 16% and -6.2%, respectively. During FY2019-20, the average number of active centers during the year went up by 14 in Domestic Retail and 4 in International Retail. The total number of new center sign-ups went up from 194 in FY2018-19 to 211 in FY2019-20 for the Domestic market and down from 28 to 20 for the International market.

The Company continued to fortify its Retail segment's positioning as a Branded Lifecycle Learning Platform of choice by concentrating on:

1. Enhancing the student experience multifold through innovation, events, social platforms, and focus on delivery excellence.
2. Strengthening the core value proposition of employability by consolidating its connection with the industry and bringing more job opportunities for the students in addition to academic partnerships.
3. Boosting center network capability through proactive support and continuous training to franchises and churning the partner mix to inject more aggression and attention.
4. Amplifying the marketing message by significantly increasing the spending and expanding presence in all media, including innovative proprietary platforms, and using celebrity brand ambassadors.
5. Reinvigorating the workforce by injecting fresh blood and adopting progressive employee practices to promote motivation levels.
6. Increasing the Per Student Booking by leveraging the brand power to increase pricing and improving product mix by pushing high-value courses.

The above actions align with the Company's strategic pursuit of "Employment Driven Enrolment" and the mission to compete with "Unemployability". In some of its larger international markets, the Company adopted similar actions by making country-specific tweaks, and initial results were encouraging. The product value proposition in the International market includes a formal education pathway to an international degree at a much lower overall cost through academic articulation partnerships.

The Assessment & Testing division continued to pursue its strategy of de-risking the business portfolio by diversifying away from high-stakes recruitment exams of the Central and State governments. It included focusing on acquiring a broader base of customers, reduce dependence on a few large clients, and address the significant market segment of OMR sheet based written examinations. The Company continued to cut down on the fixed costs in line with the revenue base. New products and features developed during the year include Secure Internet Exam, Learning Management Solution, Internet-based Evaluation that would help in capturing a larger share of the pie from each customer.

The Company and its brands won many prestigious awards and recognitions during the reported financial year. Lakmé Academy Powered by Aptech won the award for the "Best Professional

Beauty Training Institute of the Year" at the ASSOCHAM's 3rd Beauty, Wellness and Personal Care Awards, 2020. Aptech was recognized as the "Best Training Institute" by the ABP News National Education Awards 2019. MAAC, Aptech Montana International Pre-school, and Lakmé Academy Powered by Aptech won different recognitions at the Scoonews Global Education Awards 2019. Aptech Computer Education won the ICT Gold Medal for Highest Turnover in Training from HCMCA, Vietnam, for the 17th consecutive year. Aptech Montana won the "Best Emerging Franchisor Award (International)" at the Franchise India Awards 2019. Aptech was once again voted as a Great Place to Work (2019-20) by the Great Place To Work Institute survey.

## **IMPACT OF COVID-19 PANDEMIC AND MITIGATION MEASURES IMPLEMENTED**

In the Retail business, consequent to the global spread of COVID-19 pandemic, all the learning centers of the Company suspended the classes in most of its major markets including India and international countries in ASEAN, Africa, and South Asia starting from various dates in February and March 2020 in compliance with the lockdown and health safety measures announced by the respective governments. In Vietnam, most of the centers have restarted classes in phases from the second half of May 2020. However, in many countries, the batches are expected to resume only towards the end of H1 FY2020-21 or later. The closure of learning centers led to an impact in terms of class conduct, fee collection, delay in conversion of leads to new enrollments, and more. The lead conversion for new admissions was also affected by the deferment of various high-school exams and subsequent delay in declaring results and shaky job scenario in multiple industries served by the Company. The economic slump and uncertainty also impacted the network expansion plans of the Company.

Due to the pandemic and the subsequent lockdown, the educational institutes and the government agencies postponed the conduct of assessments and training programs, which affected the Institutional segment's business. Fresh recruitment and assessment plans were put on hold by many Customers or potential Customers, and there have also been delays in releasing payments for completed projects by some Government clients due to a shift in priorities.

The Company has, however, initiated various measures to tackle the challenges arising from the current situation:

- Strategically capitalize on the trend for digital training, assessment, and payments by adapting our business and opening new market segments.
- Digital Pivot
  - Retail: embracing remote delivery, online counseling, digital marketing, and encouraging digital payments.
  - Institutional: Software solution developed to address new norms of social distancing while conducting exams, Evaluation of new digital opportunities like LCMS, Remote Proctored Exam, and Web-based Evaluation. Recalibration and reconfiguration of rollout plans for all existing contracts in hand with Digital Pivot as far as possible.
- Re-skilling Faculties and Centre staff for Digital Pivot while working from Home
- Sustained Student engagement with Online initiatives
- Impact assessment on industries that employ our students

The Company has estimated that the financial impact of the pandemic in the Q4 of FY2019-20 was an operating revenue loss of roughly Rs. 16 crores. It has also impacted the collection of student fees and institutional payables. The additional expenses related to a capacity loss for social distancing and other health and safety measures will lead to an increase in the cost of operations. However, the assessment of full future financial impact will be known only once the road ahead is clear. The Company presently continues to have a net-zero debt situation and has sufficient liquidity to weather the current headwinds. The Company has also planned for a reduction of nearly 20% in its fixed cost base in FY20-21 to mitigate the financial impact of the pandemic.

## **TRANSFER TO RESERVE**

There has not been any transfer to the General Reserves during the year under review.

## **DIVIDEND**

An Interim Dividend of Rs. 3.50 per was declared by the Board of Directors at their meeting held on 21<sup>st</sup> May, 2019. Further, An Interim Dividend of Rs. 4.50 per equity share was paid to the shareholders as approved by the Board of Directors vide its circular resolution passed on 7<sup>th</sup> March 2020. The Directors have considered it financially prudent to re-invest profits into the business of the Company and therefore do not intend to recommend final dividend.

## **DIRECTORS**

During the year 2019-20, the Directors met four times on 4 times on 21<sup>st</sup> May 2019, 22<sup>nd</sup> July 2019, 24<sup>th</sup> October, 2019 and 29<sup>th</sup> January 2020.

Mr. Rakesh Jhunjunwala (DIN: 00777064), Non Executive Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Asit Koticha (DIN: 00034266), Independent Director of the Company has tendered his Resignation from the post of Director of the Company with effect from 15<sup>th</sup> June, 2020 due to other preoccupations.

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors have registered their name in the Independent Directors data bank.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, during the year under review, the Board carried out the annual evaluation of the performance of the Board, its Committees and of individual Directors including Independent Directors. A structured questionnaire covering various aspects of functioning of the Board, Committees and Directors such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance was distributed to each member of the Board and inputs were received.

## **EMPLOYEE STOCK OPTIONS**

The Members of the Company at its Annual General Meeting held on 27<sup>th</sup> September, 2016 had approved the Aptech Employee Stock Option Scheme 2016 ("the Scheme"), to create offer and grant upto 44,32,620 Employee Stock Options to all eligible employees, directors (excluding promoter directors) of the Company and employees of its subsidiaries with a view to attract and retain key talents working with the Company and its Subsidiary Company (ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. All the plans are administered by the Nomination & Remuneration Committee of the Board. Disclosures as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on Company's Website on:

<https://www.aptech-worldwide.com/downloads/news-and-notification/DISCLOSUREASREQUIREDUNDERSEBIESOP-17.06.2020.pdf>

## **EXTRACT OF ANNUAL RETURN**

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the annual return for FY 2019-20 is available on Company's website on the link:

<https://www.aptech-worldwide.com/downloads/news-and-notification/Extractofannualreturn-MGT-9-2019-20.pdf>

## **PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS**

Loan, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in the Annual Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

In line with the requirements of the Companies Act, 2013 and the SEBI (LODR), 2015 the Company has formulated a Policy on Related Party Transactions and the same is uploaded on the Company's website:

[https://www.aptech-worldwide.com/downloads/InvestorPolicy/Aptech\\_RPTPolicy2019.pdf](https://www.aptech-worldwide.com/downloads/InvestorPolicy/Aptech_RPTPolicy2019.pdf)

Details of Related Party Transactions are given in AOC-2 as **Annexure-IV**.

## **SUBSIDIARIES**

As on 31<sup>st</sup> March 2020, the Company had 6 subsidiaries and 1 joint venture. Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014, **Form AOC-1** is attached to the financial statements of the Company. The said Form also highlights performance of the said entities and their contribution to the overall performance of the Company during the year ended 31<sup>st</sup> March 2020.

The Board of Directors of Maya Entertainment Limited and Attest Testing Services Limited, wholly owned subsidiaries of the Company, at their respective meetings held on September 11, 2019 had approved the Scheme of Amalgamation of Attest Testing Services Limited ("the Transferor Company") with Maya Entertainment Limited ("the Transferee Company") with effect from April 1, 2019, being the appointed date. The Scheme was approved by the National Company Law Tribunal at Mumbai on February 28, 2020 which became effective from filing of the NCLT order with the Registrar of Companies on 5<sup>th</sup> March 2020. Thereafter the name of the Company has been changed from Maya Entertainment Limited to 'MEL Training & Assessments Limited' w.e.f 14<sup>th</sup> May, 2020. During the year, a voluntary winding up of one of its non-operational, step down subsidiary, in Mauritius has been filed with Mauritian authorities.

## **NOMINATION AND REMUNERATION POLICY**

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations.

The Nomination and Remuneration Policy can be accessed on the website of the Company <https://www.aptech-worldwide.com/downloads/aptech-policy/Remuneration-Policy.pdf>

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Companies, Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. With a view to enlarge the scope of CSR activities, the Company revised the CSR Policy to enable providing skill development to underprivileged children and youth besides the existing activities. The revised policy also facilitates education by providing financial assistance to the NGOs which are working in the field of development of children and youth through education. The revised policy has been uploaded on the website of the Company <https://www.aptech-worldwide.com/downloads/policy-on-csr.pdf>

The Disclosure with respect to CSR activities forming part of this report is given in **Annexure-I**

## **DEPOSITS**

The Company does not accept any deposits from public.

## **INSURANCE**

The Company has taken insurance cover for its assets to the extent required.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

A separate report on the Management Discussion and Analysis is attached as a part of the Annual Report.

## **CORPORATE GOVERNANCE**

Effective corporate governance is necessary to retain the trust of stakeholders and to achieve business success. Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. It includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. As shareholders across the globe evince keen interest in the practices and performance of companies, corporate governance has emerged at the centre stage of the way the corporate world functions. Corporate governance is vital to enable companies to compete globally in a sustained manner and let them flourish and grow.

A separate Report on Corporate Governance is attached and forms part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is annexed as "**Annexure V**"

## **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement that :

- (i) in the presentation of the annual accounts for the year ended March 31, 2020, applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2020 and of the profit of the Company for the year ended on that date;

- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) internal financial controls followed by the Company are adequate and were operating effectively
- (vi) the system to ensure compliance with the provisions of all applicable laws were adequate and operating effectively

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**

### **Conservation of Energy**

Adequate measures are taken to conserve energy although the Company's operations are low energy intensive.

### **Technology Absorption**

Your Company continues to use the latest technologies for improving the productivity and quality of its services.

### **Research & Development**

Technological obsolescence is certain. We encourage continuous innovation and research and development for measuring future challenges and opportunities.

## **DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) are given in **Annexure-III**

## **PARTICULARS OF EMPLOYEES**

Particulars of employees as required to be disclosed in terms of Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, shall be made available to any shareholder on a specific request made by him in writing before the date of the Annual General Meeting and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholder. In case the request is received after the Annual General Meeting such particulars shall be made available to the shareholder within seven days from the date of receipt of such request.

## **PREVENTION OF SEXUAL HARASSMENT MECHANISM**

During the year under review, the Company has not received any complaint from the employees related to sexual harassment. The Company has in place prevention of sexual harassment policy which is available on the Company's website i.e.

[www.aptech-worldwide.com](http://www.aptech-worldwide.com)

Further, your Company has complied with provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

### **STATUTORY AUDITORS**

As per the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Bansi S. Mehta & Co (ICAI Firm Registration No. 100991W) were appointed as the Statutory Auditors from the conclusion of the seventeenth Annual General Meeting held on 31<sup>st</sup> July, 2017 till conclusion of the Twenty Second Annual General Meeting subject to ratification of their appointment at every AGM, if required under the law. There are no qualifications, reservations or adverse remarks in their Audit Report.

### **FRAUD REPORTED BY AUDITOR UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013:**

There was no instance of fraud reported by the auditor in their report under Section 143 (12) of the Companies Act, 2013.

### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company has appointed M/s. S G & Associates, Practicing Company Secretaries to undertake its Secretarial Audit. Pursuant to regulation 24A of SEBI (Listing Obligations & Disclosure Requirement) Amendment Regulation, 2018, Secretarial audit report of MEL TRAINING & ASSESSMENTS LIMITED is also annexed to Board Report along with the Secretarial Audit Report of the Company collectively as "**Annexure-II**". There are no qualifications, reservations or adverse remarks in their Audit Report.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the financial year 2019-20, there were no significant or material orders passed by any regulatory body or court or tribunal impacting the going concern status and the Company's operations in future.

## **ACKNOWLEDGEMENT**

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the shareholders, Bankers, Financial Institutions, Government authorities, esteemed corporate clients, customers and other business associates. Your Directors recognise and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

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

**Sd/-  
Vijay Aggarwal  
Director**

**DIN: 00515412  
Place: Lonavala  
Date: 15<sup>th</sup> June,  
2020**

**Sd/-  
Anil Pant  
Managing Director &  
CEO**

**DIN: 07565631  
Place: Bangalore  
Date: 15<sup>th</sup> June,  
2020**

### **Annexure to Directors' Report**

1. Report on CSR is given in Annexure- I
2. Secretarial Audit Report is given in Annexure - II
3. Details of remuneration is given in Annexure - III
4. Details of related party transaction in Form AOC-2 is given in Annexure - IV
5. Auditors' Certificate regarding compliance of the conditions of Corporate Governance is given in Annexure - V

## **Annexure- I"**

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CSR Policy giving overview of projects proposed to be undertaken can be viewed on the following link:

<http://www.aptech-worldwide.com/downloads/policy-on-csr.pdf>

- 2. The Composition of the CSR Committee**

Mrs. Madhu Jayakumar, Chairperson of the CSR Committee (Independent Director)  
Mr. Rajiv Agarwal, Director

Mr. Anil Pant, Managing Director & CEO

- 3. Average net profit of the Company for last three financial years:**

Rs.1180.08 Lakhs

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).**

Rs. 23.60 Lakhs

## 5. Details of CSR Amount spent during the financial year:

(a) Total amount to be spent for the financial year: 23.60 Lakhs

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects Or Programs (1)Local area or other (2)Specify the State and district where projects or Programs was undertaken	Amount outlays (budgets) project Or programs wise	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2)Over-heads	Cumulative-expenditure up to the reporting period	Amount spent through implementing agency (amounts mentioned in INR Lakhs)
1.	CSR Activity	Education	Mumbai, Maharashtra	-	-	-	1. Y4D Foundation – Rs. 8.63 Lakhs 2. Sri Krishna Balanikethana: Rs. 2.00 Lakhs 3. Santacruz West Education Arpan Rs. 4.67 Lakhs 4. Azad Foundation –Support for Women: Rs. 5.72 Lakhs 5. Ugam Education Foundation: Rs. 3.50 Lakhs <b>Total Spent – 24.52 Lakhs</b>

6. Reasons for not spending the amount: Not applicable.

7. Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Anil Pant**  
(Managing Director & CEO)

**Madhu Jayakumar**  
(Chairperson of CSR Committee)

**Ketan H. Shah**  
(Company Secretary)

## **"Annexure-II"**

### **Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

#### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

**To,  
The Members,  
Aptech Limited**

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **Aptech Limited** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There is no External Commercial Borrowing in the Company; and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable.
- g) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014
- h) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.

We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

- The Information Technology Act, 2000
- Indian Copyright Act, 1957
- The Patents Act, 1970
- The FEMA Act, 1999
- The Trademark Act, 2017

The Company has generally complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretary of India.

**We further report that-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

The below are the changes in Directors during the year:

Mrs. MadhuJayakumar (DIN:00016921) was re-appointed as an Independent Director for the second term of five consecutive years w.e.f 24th September, 2019 at the Annual General Meeting held on 22<sup>nd</sup> July, 2019.

Mr. Rajiv Agarwal (DIN: 00379990) retired and re-appointed as Director in the AGM held on 22<sup>nd</sup> July, 2019.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the Decisions of the Board and Committees thereof were carried out with requisite majority.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Audit period the Company had not gone through any specific events having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

**For S G & Associates,**

**SuhasGanpule,  
Proprietor,  
Membership No: 12122  
C. P No: 5722**

**Date: 15<sup>th</sup> June, 2020**

**Place: Mumbai**

## **Annexure 'A'**

To  
**The Members,  
Aptech Limited,  
Mumbai**

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. In view of the restrictions imposed by the Government of India on movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

**For S G & Associates,**

**Suhas Ganpule,  
Proprietor,  
Membership No: 12122  
C. P No: 5722  
UDIN: A012122B000343013**

**Date: 15<sup>th</sup> June, 2020  
Place: Mumbai**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment  
and Remuneration Personnel) Rules, 2014]*  
For The Financial Year Ended 31<sup>st</sup> March, 2020.

**To,**  
**The Members,**  
**MEL TRAINING & ASSESSMENTS LIMITED**

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **MEL Training and Assessments Limited (Earlier known as Maya Entertainment Limited)** (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There is no External Commercial Borrowing in the Company; and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: **Not Applicable.**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: **Not Applicable**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not Applicable**

- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable**
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 : **Not Applicable**
- g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 : **Not Applicable**

We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

- The Information Technology Act, 2000
- Indian Copyright Act, 1957
- The Patents Act, 1970
- The FEMA Act, 1999
- The Trademark Act, 2017

We have also examined compliance with the applicable clauses of the following:

***(i) Secretarial Standards with regard to meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretary of India.***

#### **We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

The below are the changes in Directors during the year:

Mr. Ramkumar Warriar (DIN: 07660537) was re-appointed as the Director by retire by rotation at the Annual General Meeting of the Company held on 13<sup>th</sup> September, 2019.

Mrs. Madhu Jayakumar (DIN: 00016921) was re-appointed as an Independent Director for a second term of 5 (five) consecutive years on the board of the company w.e.f. 24<sup>th</sup> September, 2019 at the Annual General Meeting of the Company held on 13<sup>th</sup> September, 2019.

Mr. Neeraj Malik (DIN: 07611462) and Mr. Ganesh Subramanian (DIN: 07618881) were appointed as an Additional Director (Non- Executive Director category) by the Board of Directors of the Company on 14<sup>th</sup> March, 2020.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the Decisions of the Board and Committees thereof were carried out with requisite majority.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Audit period the Company had not gone through any specific events having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

**We further report that** the Company had received an order dated 28.02.2020 from NCLT, Mumbai Bench on 03.03.2020 approving amalgamation of Attest Testing Services Limited into Maya Entertainment Limited (Now known as MEL TRAINING & ASSESSMENTS LIMITED).

**We further report that** the Company at its Extra Ordinary General Meeting held on 17<sup>th</sup> March, 2020 had approved change of its name from Maya Entertainment Limited to MEL Training and Assessments Limited and had approved change of object clause of Memorandum of Association of the Company

**For S G & Associates  
Practicing Company Secretaries**

**Suhas Ganpule  
Proprietor  
Membership No: 12122  
C. P No: 5722**

**Date:** 15<sup>th</sup> June, 2020

**Place:** Mumbai

**UDIN: A012122B000343046**

## **Annexure 'A'**

To  
**The Members,**  
**MEL Training and Assessments Limited,**  
Pune

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. In view of the restrictions imposed by the Government of India on movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

**For S G & Associates,**

**Suhas Ganpule,**  
**Proprietor,**  
**Membership No: 12122**  
**C. P No: 5722**

**Date: 15<sup>th</sup> June, 2020**

**Place: Mumbai**

### “Annexure-III”

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance are as under:

Sr. no.	Name of Director / KMP and designation	Remuneration for the FY 2019-20 (Rs. In Lakhs)	% increase in remuneration in the FY 2019-20	Ratio of remuneration to median employees remuneration	Comparison of remuneration of the KMP against the performance of the Company
1	Asit Koticha, Director	0.40	NIL	0.06	NA
2	Madhu Jayakumar, Director	2.00	NIL	0.29	NA
3	Rajiv Agarwal, Director	1.60	33.33	0.23	NA
4	Ramesh S. Damani, Director	2.40	NIL	0.35	NA
5	Utpal Sheth, Director	1.80	28.57	0.26	NA
6	Vijay Aggarwal, Director	2.60	NIL	0.38	NA
7	Ninad Karpe, Director	0.60	NIL	0.09	NA
8	Madusudan Kela, Director	0.60	NIL	0.09	NA
9	Nikhil Dalal, Director	0.60	NA	0.09	NA
10	Anil Pant, Managing Director & CEO	404.28	61.83	59.01	Consolidated net profit before tax for the year ended 31 <sup>st</sup> March 2020 has decreased by 23.32 %.
11	Anuj Kacker, Wholetime Director	139.81	NIL	20.41	
12	T. K. Ravishankar, Chief Financial Officer	95.12	NIL	Not applicable	
13	Ketan H. Shah, Company Secretary	40.50	4.16	Not applicable	

- (ii) The median remuneration of employees of the Company during financial year was Rs. 6.85 Lakhs.
- (iii) In the financial year there was an increase of 8.24% in the median remuneration of employees.
- (iv) There were 483 permanent employees on the rolls as on 31<sup>st</sup> March 2020.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel (i.e. Managing Director & CEO and Wholetime Director) in the FY 2019-20: 7.53%
- (vi) The percentage increase in the managerial remuneration in the FY 2019-20: 7.04%
- (vii) It is affirmed that the remuneration paid is as per the Remuneration Policy.

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

**Sd/-  
Vijay Aggarwal  
Director**

**DIN: 00515412  
Place: Lonavala  
Date: 15<sup>th</sup> June,  
2020**

**Sd/-  
Anil Pant  
Managing Director &  
CEO**

**DIN: 07565631  
Place: Bangalore  
Date: 15<sup>th</sup> June,  
2020**

## "Annexure-IV"

### **FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis -**  
Not Applicable

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>	
a)	Name (s) of the related party & nature of relationship	Airpay Payment Services Pvt Ltd Director of the Company is a member in Airpay Payment Services Pvt Ltd	Ninad karpe Non Executive Director of the Company
b)	Nature of contracts/arrangements/transaction	Availing Payment Gateway Services from the party	Availing Advisory Services from the party
c)	Duration of the contracts/arrangements/transaction	yearly	3 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	1.85 Lakhs during the year	2.50 Lakhs p.m.
e)	Date of approval by the Board	3 <sup>rd</sup> February, 2016	9 <sup>th</sup> November, 2017
f)	Amount paid as advances, if any	-	-

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

**Sd/-**  
**Vijay Aggarwal**  
**Director**

**Sd/-**  
**Anil Pant**  
**Managing Director & CEO**

**DIN: 00515412**  
**Place: Lonavala**  
**Date: 15<sup>th</sup> June, 2020**

**DIN: 07565631**  
**Place: Bangalore**  
**Date: 15<sup>th</sup> June, 2020**

## **"Annexure V"**

### **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To,**

**The Members of**

**Aptech Limited**

1. We, Bansi S. Mehta & Co, Chartered Accountants, the Statutory Auditors of **APTECH LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance, for the year ended March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

#### **Management's Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting records and documents.

#### **Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and

paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended March 31, 2020.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

9. The certificate is issued solely for the purpose of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **BANSI S. MEHTA & CO.**

Chartered Accountants  
Firm Registration No.100991W

**PLACE** : Mumbai  
**DATE** : May 25, 2020

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
UDIN: 20036148AAAABD8729

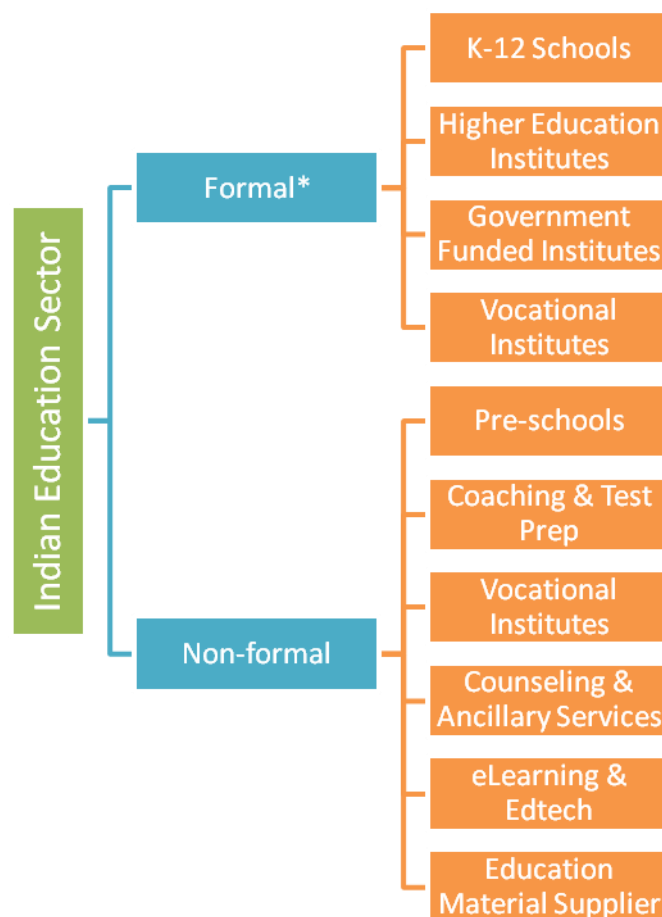
# Management Discussion and Analysis

## Industry Overview

The Education Sector in India caters to the largest addressable population in the world in the age bracket of 3 – 23 years. It consequently is one of the largest sectors in the country and among the biggest markets in the world. The number of Higher Education Institutes in the country as of September 2019 was 993 universities, 10,725 standalone institutions, and 39,931 colleges. The school network in India is the largest in the world, with nearly 1.5 million schools and more than 100% GER at the primary level. This infrastructure catered to more than 260 million school going students and 37.4 million higher education students (26.3% GER) in FY2018-19. In addition to the formal space, India has a sizeable non-formal Education space, which is dominated by the for-profit, private sector entities. The education sector in India was anticipated to touch US\$ 101.1 billion in FY2018-19.

(Source: [www.ibef.org](http://www.ibef.org))

The segmentation of the Education sector can be shown as follows:



\* Formal sector includes public and private players

## Company Overview

The Company is uniquely positioned as a 'Branded Lifecycle Learning Platform' within the Non-formal Education space. Its business is classified into two reporting segments, viz. Retail and Institutional.

<b>Retail</b>	<b>Institutional</b>
Catering to individual students through a network of branded franchise centres offering in-classroom learning programs that provide skilling for pre-job, job-oriented, and after-job requirements.	Servicing the Assessment & Testing and Corporate Training needs of institutional customers such as Government departments, quasi-government institutions, educational institutions, private and public sector companies, and more.

## **Retail**

The Company offers its training programs directed at different verticals and target customer segments through 6 retail brands. Its learning centres are present in nearly 40 countries worldwide, with a leadership position in many markets.

<b>Brand</b>	<b>Skill Areas</b>	<b>Details</b>
Arena Animation	Graphic Design, Web Design, Photography, 2D & 3D Animation, Visual Effects, Gaming	Caters to skill needs of Media & Entertainment since launch in 1996. Positioned as Arena Multimedia in the international market.
MAAC (Maya Academy of Advanced Cinematics)	2D & 3D Animation, Visual Effects, Film Making, Gaming	Acquired in 2010 to consolidate leadership in Media & Entertainment skilling.
Aptech Learning	Software Development, Hardware Engineering, Network Management, Software Administration, IT Management	IT segment positioned separately as Aptech Computer Education in the international market. Aptech Computer Education was launched in 1986 in India.
	English Language Learning	Franchised as Aptech English Learning Academy in the international market. Started through an acquisition in 2009.
	Banking, Financial Sales, Investment Advisory, Depository Operations, Equity Dealing	Focused on BFSI industry, this segment was launched as a separate brand in 2015. Not marketed internationally.
Lakmé Academy Powered By Aptech	Skin Care, Make-up, Hair Style, Nail Care, Cosmetology	Catering to the Beauty & Styling industry skills, this brand was launched in partnership with Lakmé in 2015. Not marketed internationally.
Aptech Aviation	Customer Service, Airport Management, Ticketing, Hotel Management, Tourism, Retail Store Management, Merchandising, Distribution	Catering to skill needs for customer interfacing roles in multiple industries such as Aviation, Hospitality, Travel & Tourism and Organized Retail. Started through an acquisition in 2006.
Aptech Montana International Preschool	Mother-toddler, Pre-nursery, Nursery, Kindergarten-1, Kindergarten-2, Childcare and Activity centres	Launched in the year 2016 through a partnership with Montana International Preschool Pvt. Ltd. Marketed internationally as Aptech International Preschool.

Other than the preschool brand, remaining brands of the Company are focused on employability skills for students that make them job-ready for their first job.

Key elements of the Retail segment are as follows:

- The Company operates through the franchise-based business model. Its asset-light nature, scalability, and replicability are the main reason for the choice. The Company has mastered the model and developed it into a platform on which Education programs in newer verticals can be offered at scale in a distributed format.
  - The Company as a franchisor signs a franchising agreement, which is valid for a three to five year period, with the franchisee for the 'right to use' respective brand name in a specified territory against an upfront payment of a sign-up fee (also called as the Technical Know-How or TKH fee) from the franchisee.
  - On the expiry of the franchise agreement, the Company and franchisee may renew it based on mutual understanding for a period of one to five-year period after payment of a Renewal Fee to the Company.
  - The franchisee is given the 'right to access and support' on payment of "Royalty," which is a predetermined percentage of the gross course fee collected from the student. Besides, there are payments towards Courseware, Exams, Events, and Placement Support to the Company on an ongoing basis.
  - Additional payments to the Company are to be paid when franchisees or students opt for optional value-added services such as Train-The-Trainer programs, marketing, alliance fees, and others.
- The Company has strategically chosen to compete with "Unemployability" for its employability-focused retail brands. The Industry Connect and Placement (ICAP) team was formed as the vital instrument in this drive to help the Company continuously interface with industry to understand the scale, nature, and distribution of skill demand, including specific job opportunities. They also liaise with the industry to create opportunities and platforms for the students to connect with industry professionals. Their role also includes providing career guidance and conducting soft skill training for students to better their chances to bag a job.
- The brands offer an extensive array of courses with durations ranging from 1 week to 2.5 – 3 years. The courses provide a 'point skill' or a combination of skills that are most relevant for entry and middle-level jobs.
- The primary demographic target group of the Company's courses in employability focused brands is the Young Adult with age group from 17 – 23 years who want to train for their first job. It also caters to re-skilling, hobby, and entrepreneurship segments.
- The course design and pedagogy involve equal emphasis on theory and practical sessions. The Company has adopted a holistic approach by blending in-class training with out-of-class supplementary inputs through online mode.
- The curriculum development also covers standardized instruction manuals for trainers to reduce dependence on the trainer's teaching style to ensure consistent quality of delivery and achievement of learning objectives.
- Online learning platform "OnlineVarsity" is the mode through which out-of-class content and standard courseware as e-books are provided to the students. The other major IT platform used by the Company to manage the business processes across the entire student lifecycle is "Aptrack," a cloud-based centralized ERP system for learning centre management.

## **Institutional**

The Institutional segment consists of two main divisions, viz. Assessment & Testing and Training Solutions. Under this segment, Aptech offers a comprehensive learning offering to institutional clients such as Corporate (Public and Private), Educational Institutes, Government departments, and quasi-government bodies.

- **Aptech Assessment & Testing Solutions**  
Computer Aided Assessments and Digital Evaluation for paper-based exams (descriptive Q&A) are the main offerings of this division. The Company also offers Pen & Paper

Assessments, Document Digitalisation tool, and Internet-based Evaluation as separate products through this division. Typical use cases of the assessments at institution level are entrance exams, recruitment and screening exams, semester-end exams, competitive/scholarship exams, and corporate evaluations, which are amenable to multiple-choice answer format. Aptech has capabilities to offer an end-to-end solution to clients with its proprietary IT platforms.

- **Aptech Training Solutions**

The Training Solutions division offers large, multi-location training rollouts for institutional clients. The training programs may cover IT, Soft Skills, and Customer Service training for lower- to middle-management or channel staff. It also offers Learning Management Solutions (LMS) tools.

## **OPERATIONAL HIGHLIGHTS**

### **Domestic Retail**

Main operational highlights for the Domestic Retail business for the year 2019-20 were as follows:

- The Domestic Retail division's growth story was driven by the consistent upswing in business momentum for four brands, viz. Arena Animation, MAAC, Lakmé Academy Powered by Aptech, and Aptech Montana International Preschool, before deceleration in business due to COVID-19 pandemic in the last month of the financial year. Aptech Learning brand revenues, including the Aviation segment, however, continued to fall.
- Arena Animation was associated with the Media & Entertainment Skills Council (MESCC) of the National Skill Development Corporation as the National Promotion Partner and for World Skills competitions. As part of this collaboration, India's first media vertical job festival was jointly organized, with 200+ recruiters assembled under a single platform, and participation of 4,500+ students from Arena and MAAC.
- Arena Animation formalized an association with Unity platform for Gaming related training programs.
- MAAC successfully conducted the 17<sup>th</sup> edition of 24FPS awards with 1,200+ students/participants and 300+ external guests, including industry personnel. Participation entries included 1,000+ international entries from 75+ countries.
- The Company increased course prices for Arena and MAAC programs, which led to an increase in Per Student Booking amounts for these brands.
- While the expansion momentum slowed for the Lakmé Academy brand, a nearly 65% increase in active centres over the one year meant a considerable jump in revenue streams linked to student collections.
- The Montana International Preschool's strategy of concentrating on cluster expansion, i.e., opening more schools in existing cities, helped increase student enrolment growth substantially. The brand also added new cities such as Rajkot, Jaipur, Bhubaneswar, Jaipur, and Tirupati.
- A major milestone in its quest for signing up Corporate Child Care centres was Aptech Montana's selection as the Child Care service provider for IBM India Pvt. Ltd. employees for the period two years in its Kolkata and Pune offices.
- Creosoul platform, the online platform that promotes greater interactions between the three stakeholders, i.e., students, franchisees, and recruiters, was extended to MAAC and Lakmé Academy students in addition to Arena. More than 1,600 Lakmé students registered within one month of launch.
- Even before COVID-19 hit, all the Company's brands were extensively promoting and engaging with all stakeholders through online classes, Masterclass, Train The Trainer programs, and Webinars to improve learning and student experience.
- Lakmé Academy launched a course in Cosmetology – Foundation and pursued Hire & Train initiative with various salon chains.

- Aptech Learning launched programs in new segments covering the latest technology areas like Data Science, Artificial Intelligence, and Machine Learning.
- The Company was trying to tie-up with Engineering colleges for running technology programs leading to placements. It signed an agreement for such an association with St. John College of Engineering, Palghar.

During the year, the Company increased the intensity and scale of marketing spends across all its brands, notably Arena, MAAC, and Lakmé Academy. It not only covered all media but also developed its media properties and launched innovative campaigns to connect with the target audience.

- Arena Animation produced a Rap video (Fattu RAP) and a proprietary RAP battle (Oneshot) platform to reach a broader target audience.
- MAAC conducted massive outreach to the target audience, including students and parents, by launching campaigns across TV (News Channels during 2019 General Election), online (popular YouTube channel with 290 million monthly active viewers), and OTT platform (Hotstar during the Cricket World Cup).
- Lakmé Academy Powered by Aptech produced the first-ever hair and makeup web series "Winged - The Hunt for India's Next Hair & Makeup Superstar" powered by MTV (Viacom 18). The show garnered a massive following among aspiring artists and professionals alike with 16,700 entries and viewership of 6.5 Million over six weeks.
- Lakmé Academy launched the Season 2 of "Glamour Rus: The Annual Scholarship Drive" for all aspiring students. As part of this drive, the Glamour Quotient Test (an aptitude test for the beauty Industry) was conducted across the countries at all centres successfully along with a national cosplay competition, "Backstage Drama," and a digital hair and makeup challenge, "NoFilter."
- Lakmé Academy also launched a video series, "Welcome Zindagi," which captures moving and motivating success stories of its real students.
- Arena Animation website won the recognition as the 'Guru of the Day' from webguruawards.com for inspiring digital work.
- Digital marketing activity was ramped up for lead generation and improving social media reach across all brands.

### **International Retail (excluding China)**

To replicate the success seen in the domestic market, the International Retail division dramatically increased the partner outreach to build confidence in the brand, augmented support, launched new events to improve student engagement, and extensively conducted training programs for centre staff to improve technical and product knowledge in the key markets during the reported financial year. These initiatives were a continuation of its strategy to exit from low margin businesses and projects and enhance focus on the core franchising business. Some of the key operational highlights for the International Retail division of Aptech in the year 2019-20 were as follows:

- Excluding the low-margin business revenue, which it exited, the International division grew by 3.8% in FY2019-20 over the previous financial year despite the COVID-19 impact.
- Re-entered into the Ethiopia (Arena), and Ivory Coast (Aptech Computer Education) through the new centre sign-ups.
- New Aptech Computer Education and Arena centres in Honduras and MAAC centre in Vietnam were successfully launched. MAAC centre managed to enrol 100 students within the first six months.
- Vietnam, which is one of its top 3 markets, showing revival on account of additional efforts put by the Company.
- The division signed a Memorandum of Understanding with one of the top private university degree colleges, the Lincoln University College of Malaysia, to offer its students formal qualification options.

- Many of the Company's international operations were impacted by the measures to tackle the COVID-19 pandemic, especially Vietnam, Middle East, and Nigeria starting from February 2020 onwards.

### Retail Revenue (Rs. Lakhs)

Sub-Segment	FY2018-19	FY2019-20	Variance
Domestic Retail	10,787	12,885	19.4%
International Retail	3,306	2,930	-11.4%
<b>Grand Total</b>	<b>14,093</b>	<b>15,815</b>	<b>12.2%</b>

### Centre Network (Average # of active centres during the year)

Sub-Segment	FY2018-19	FY2019-20
Domestic Retail	622	636
International Retail	123	127
<b>Grand Total</b>	<b>745</b>	<b>763</b>

### BJB Career Education (China)

In 2000, the Company entered the IT training market in China through a 50:50 JV (BJB Aptech) with Beida Jade Bird (BJB). Driven by economic growth and the government's thrust to make China a critical IT outsourcing nation, China's IT training market had seen healthy growth. Aligning itself to this growth, Aptech restructured its stake in the China JV in 2009. It divested its 50% stake in the JV, and its wholly-owned step-down foreign subsidiary invested Rs. 10,813 Lakhs in equity instruments of BJBC-China ('the Investee'), the Holding Company. In the absence of availability of the audited financial statements of the Investee to its Investors, for last about six years, and other recent financial information (through appropriate petitions in the jurisdictional court of Cayman Islands have been filed and favourable orders have been obtained), the Company, at present, is not in a position to measure its fair value and accordingly, the said Investment is carried at cost, being an appropriate estimate or fair value, under the Annexure B on Application Guidance para B5.2.3 to Ind AS 109 "Financial Instruments."

### INSTITUTIONAL BUSINESS

The Institutional segment saw the following key developments in FY2019-20 were:

- The revenue fall by 13.2% for the Institutional segment was on account of the COVID-19 and CAA/NRC protests that resulted in deferment of examinations for which it had contracts on hand. Another impact of these disturbances was the delay in the collection of outstanding from clients, which also resulted in higher provisions under Expected Credit Loss.
- In FY2018-19, the Company, re-strategized and implemented a de-risking focused strategy for the Assessment division. This involved moving away from huge deals, central and state governments, and high-stake computer-aided recruitment exams. Instead, the focus was diverted to bagging a broader base of customers with small and medium deal sizes and expanding diversification in its product portfolio.
- Rationalization of the fixed costs, including offices and IT infrastructure and workforce, was done during the fiscal year, and these initiatives are likely to continue in the coming year.
- New products and features such as Secure Internet Exam, Learning Management Solution, and Internet-based Evaluation were launched.
- Many technical enhancements were made to the Assessment tool to strengthen security, including facial recognition features.

## Awards & Recognitions

The Company won many prestigious awards and recognitions during the reported financial year, such as:

- Lakmé Academy Powered by Aptech won the award for the "Best Professional Beauty Training Institute of the Year" at ASSOCHAM's 3<sup>rd</sup> Beauty, Wellness and Personal Care Awards, 2020.
- Aptech was awarded as the "Best Training Institute" at the ABP News National Education Awards 2019.
- MAAC won the "Skill Development Initiative of the Year in Higher Education (Jury's Choice)," Aptech Montana International Pre-school won the "Best Implementation of Holistic Learning Pedagogy," and Lakmé Academy Powered by Aptech won the "Best Beauty and Wellness Training Institute of the Year" awards at the Scoonews Global Education Awards 2019.
- Aptech Computer Education won the ICT Gold Medal for Highest Turnover in Training from HCMCA, Vietnam, for the 17<sup>th</sup> consecutive year.
- Two centres of Aptech Vietnam won the prestigious Sao Khue Awards, an annual quality prize hosted by VINASA – the IT association or NASSCOM of Vietnam. Bach Khoa Aptech centre won the award for "Services of ICT Training – HDSE Program" and Aptech Cantho CUSC centre won the "Services in Training for Information Security, Safety and Cyber Crime Investigations – ACNS Program" award.
- Aptech Montana won the "Best Emerging Franchisor Award (International)" at the Franchise India Awards 2019.
- Aptech was voted as a Great Place to Work (2019-20) by the Great Place To Work Institute survey.

In addition to the corporate level awards, Aptech's students won many appreciations nationally and internationally.

- An Aptech Learning student, Pranav Nutalapati, won the Silver Medal at the World Skills Kazan 2019 competition in the Web Technologies category.
- The "Best Animation (Student Award)" and the "Best Animation Jury (Student Award)" at the 9<sup>th</sup> Dada Saheb Phalke Film Festival India 2019.
- The "Best Animation (Student Award)" and the "Best Animation Jury (Student Award)" at the 7<sup>th</sup> Indian Cine Filmfest-19.
- The "Best Animation (Student Award)" at 8<sup>th</sup> Bangalore Shorts Film Festival India 2019, 8<sup>th</sup> Kolkata Shorts International Film Festival 2019, and 8<sup>th</sup> Delhi Shorts International Film Festival 2019.

## Consolidated Financial Performance

The Company's Total Operating Revenue on a consolidated basis for the year ended March 31, 2020, stood at Rs. 21,682 Lakhs, reflecting a growth of 4% against the previous year. This growth compared to 9% YOY decline in FY2018-19 was based on consistent growth in power brands in the Domestic Retail segment that compensated for the COVID-19 pandemic impact, exiting low margin businesses and projects in the International Retail and drop in Institutional revenue. Retail segment revenue growth was 12.2% on a YOY basis and would have been 16.2% on a like-to-like basis, after excluding the discontinued revenue streams. The EBIT margin of the Retail segment dipped from 37.6% to 36.2% due to the COVID-19 impact in FY2019-20. At an absolute level, however, there was a growth of 7.8% on a YOY basis. The Institutional segment posted a loss at the EBIT level due to revenue de-growth on account of the COVID-19 effect and relatively higher fixed costs. The overall EBIT went down by 27.7% than the previous year on account of the Rs. 507 Lakhs of ESOP expenses in the current year vs. write-back of Rs. 306 Lakhs in FY2018-19. Negating this impact would have increased the EBIT of the Company by 13.7% in FY2019-20.

The Other Income grew by 30.5% to Rs. 544 Lakhs majorly owing to an increase in interest income from bank deposits. Profit Before Tax went down by 23.3% again due to the considerable variation in ESOP expenses. Without these expenses and write back, the Profit Before Tax would

reflect the growth of 15.0% as compared to FY2018-19. Profit After Tax went down from Rs. 1,822 Lakhs in the previous year to Rs. 1,351 Lakhs, a decline of 25.9%. Overall basic EPS for the year was lower at Rs. 3.38 as against Rs. 4.57 in FY2018-19. Net debt on the balance sheet continued to be zero; however, there was a short-term working capital loan of Rs. 2,258 Lakhs as of March 31, 2020. Cash, Cash Equivalents & Investment in Financial Instruments amounted to Rs. 6,604 Lakhs as of March 31, 2020.

### Segment – wise Financial Performance

(Rs. in Lakhs)

	FY2018-19	FY2019-20	Variance	FY2018-19	FY2019-20	Variance
<b>Segment</b>	<b>Retail</b>			<b>Institutional</b>		
<b>Operating Revenues</b>	14,093	15,815	12.2%	6,762	5,867	-13.2%
<b>EBIT</b>	5,303	5,718	7.8%	-1,027	-1,436	-39.9%
<b>Capital Employed*</b>	2,052	2,657	29.5%	4,415	3,432	-22.3%

\* as on 31<sup>st</sup> March of respective financial years

### Changes in Key Financial Ratios

Ratios	FY2018-19	FY2019-20	Variance	Explanation (for > 25% variance)
Debtor Turnover	133 days	138 days	14.9%	-
Interest Coverage Ratio	Debt Free	30	> 25%	The Company has utilized the overdraft limits available to it against fixed deposits with the banks for meeting short-term working capital needs arising from delays in the collection from institutional clients due to the COVID-19 pandemic. EBIT for the financial year is more than adequate to cover the interest expenses.
Current Ratio	2.81	1.86	-34.5%	Significant impact on account of the overdraft of Rs. 2,258 Lakhs drawn for short-term working capital requirements arising from delays in the collection from institutional clients due to the COVID-19 pandemic.
Debt Equity Ratio	0.19	0.32	71%	Significant impact on account of the overdraft of Rs. 2,258 Lakhs drawn for short-term working capital requirements arising from delays in the collection from institutional clients due to the COVID-19 pandemic.
Operating Profit Margin	8.79%	5.94%	-32.4%	Net write-back of Rs. 306 Lakh of ESOP expenses on account of the lapsed/cancelled ESOPs that will not vest in FY2018-19 vs. Rs. 507 Lakh provisions in FY2019-20. Impact of the COVID-19

				pandemic leading to loss of revenue.
Net Profit Margin	8.57%	6.08%	-39.0%	Net write-back of Rs. 306 Lakh of ESOP expenses on account of the lapsed/cancelled ESOPs that will not vest in FY2018-19 vs. Rs. 507 Lakh provisions in FY2019-20. Impact of the COVID-19 pandemic leading to loss of revenue.
<b>Return on Net Worth</b>	<b>6.54%</b>	<b>5.21%</b>	<b>-20.3%</b>	-

### Material Developments in Human Resources

The Company believes in alignment and prioritization of its Human Resource and people practices with the vital business and workforce practices. The Human Resource department deploys workforce, maximizes its contribution, and maintains the Company's image as an employer of choice through capability and capacity enhancement, ensuring appropriate work and structural designs, and uplifting employee sentiments and morale.

The key initiatives taken by the department in the reported financial year to achieve the above objectives were as follows:

- Creation of SCUAVKNOWLEDGE - The Knowledge Management Portal. The portal was created to build capacity by continuous learning and leveraging upon knowledge for innovation and overcoming the functional "Silos."
- Driving prediction modelling for the business, aimed to analyze the critical business processes and the outcome of processes.
- Shift to Key Performance Indicator from Key Result Areas for assessing employee's performance.
- Establishment of Innovation Council for evaluating the need for continuous workforce improvement
- Launch of SCUVAMENTO - The Mentoring Program for capability and capacity enhancement of the organization.

The employee strength of the Company as on March 31, 2020, was 483 as against 480 on March 31, 2019. The average attrition rate for the year was 17.8%.

### Opportunities and Threats

The Company primarily operates in the vocational segment in its Retail division. The vast population of unemployed and "unemployable" educated youth presents a significant market opportunity for the Company as most of the industries across sectors are always on the lookout for a skilled workforce. The Company has scope to expand into more verticals within the vocational segment, more segments in addition to vocational and preschool segments within the non-formal education space, and more product offerings beyond assessment, testing, and training for the institutional customer segment. Many emerging countries, where the Company is not present today, lack enough formal education seats to cater to the demand of job-seeking youth. They are a crucial expansion opportunity for the Company, which may either adopt its traditional franchise model or work with Governments or Multi-lateral institutions who are investing in skill development projects to enter such markets. Push for digitization and the surge in demand for online courses because of the COVID-19 impact are a key opportunity for the Company to offer digital courses in new technological and skill areas.

The continued business disruption due to pandemic related mitigation measures adopted by various governments is an immediate threat to the Company's financial performance. The formal

education players who offer enough capacity, latest courseware, and attractive placement record are a formidable alternative to the Company's job-oriented skilling programs. The dynamic seen in the IT space where the IT companies shifted their recruitment preference towards mushrooming Engineering colleges being replicated in other verticals of the Company is a foremost threat. The recent announcement by the Financial Minister of India during the FY2020-21 budget speech of approval for degree-level, full-fledged online education programs offered by higher education institutes in the top 100 in National Institutional Ranking Framework (NIRF) is also a significant threat. There is, however, a possibility of this reform being an opportunity if Aptech can partner with these institutions to offer such programs jointly.

Similarly, other Edtech players offering formal undergraduate- and graduate-level programs and free content available on the internet are a major threat as well. The Finance Minister also announced approval for External Commercial Borrowings and Foreign Direct Investment for the Education sector in her budget speech. This reform also represents a dual-edged scenario for the Company, where entry of foreign players can be a long term threat to its business and can be an opportunity to collaborate with one or a few of such players to expand the business.

## Outlook

The COVID-19 pandemic has had a massive influence on the global economic scenario with near-complete stalling of economic activity in many countries that will lead to a recession in FY2020-21. The World Bank's June 2020 Global Economic Prospects report released a baseline forecast of 5.2% contraction in the global GDP for 2020, and this is expected to be the deepest recession since World War II. The economic outlook based on the same World Bank report for some of the most important markets for the Company is given in the chart below.

Country	% GDP Growth in 2019 (E)	% GDP Growth in 2020 (F)	% GDP Growth in 2021 (F)
India*	4.2	-3.2	3.1
South Asia (incl. India)	4.7	-2.7	2.8
Vietnam	7.0	2.8	6.8
Nigeria	2.2	-3.2	1.7
Qatar	-0.3	-3.5	3.6
Kenya	5.4	1.5	5.2
Saudi Arabia	0.3	-3.8	2.5

\* Indian estimates and projections are on a financial year basis with 2019 (E) corresponding to FY2019-20.

Given the ambiguity related to the timeline for return to a typical pre-COVID-19 operating environment, the pandemic is going to have an oversized impact on the financial performance of the Company in FY2020-21. The Company has undertaken various measures to address the "new normal" by doing a "Digital Pivot," which means taking the entire value chain online, wherever possible. The value chain includes training delivery, counselling, marketing, engagement activities, workshops, payments, and placement activities for the Retail segment. The Digital Pivot for the Institutional segment would mean the implementation of social distancing and new health safety norms at examination centres (when the assessments resume), and new offerings like Remote Proctored Exam, LCMS, and Web-based Evaluation. However, the success of these mitigating measures and evaluation of the full impact of the pandemic will only be known at a much later date once everything has returned to normal after mass vaccination. For the Retail segment, the dire situation related to staffing in some of the major verticals addressed by the brands would mean a lack of suitable jobs for the Company's students. This is further likely to impact placements, and subsequently, the demand for its courses.

## Risks, Challenges and Concerns

Based on the nature of the sector that the Company operates in and the chosen business model, following broadly defined risks have been identified by it and a corresponding management and mitigation plan devised.

Risk	Description	Key Management & Mitigation Measures
Macro-economic Risks	These risks arise from the shifts in economic activity and monetary policies at the global and country-level resulting in demand fluctuations for the Company's products, exchange rate volatility impact on its FOREX earnings, availability of capital, and cost of capital for the Company and also the partner network and students.	The Company can manage the economic risks through prior planning for expected demand fluctuations by curtailing capital expenditure and operating expenses, and hedging currency risks wherever feasible and necessary.
Country & Market Risks	The Company's business can be affected by the political and economic uncertainties that it faces in the countries it operates in. Besides, its business is also affected by the broader scenario of the sectors, products, market segments, demographic segments that the Company serves. Volatility in any such parameter can lead to a slowdown in demand for the Company's products or affect its operations leading to a loss of business.	These risks can be primarily managed as portfolio risks and mitigated through a policy of diversification. The Company's asset-light business model means the Country risks typically are realized only in terms of loss of revenue and not as a capital loss.
Obsolescence and Substitution Risks	The training programs and various education-related solutions offered by the Company may either become obsolete due to technological evolution or changes in the business needs of the industries it provides skilled resources to. The demand for its products may also be affected by more viable and relevant alternatives.	The Company addresses technological obsolescence risks by continuously upgrading its courses, systems, and processes. It also keeps abreast of the changing market needs and aligns the product design and portfolio accordingly. The Company has adopted a strategy of "Co-opetition" to manage the risk from formal programs, which are an alternative.
Execution Risks	The Company may be exposed to execution risks arising from non-availability of appropriate and adequate resources including human resource, incorrect estimation, and budgeting for the Company and at the project level, lack of discipline in following the business and project plans, external threats of cheating, malpractices, and delays, and non-performance. These may result in penalties, loss of project/customer, loss of reputation, financial losses, and more.	Robust execution framework, proper diligence, and thorough planning are necessary to mitigate execution risks. The Company endeavours to ensure its staff has the capability to and actively complies with these requirements. The Company has opted for adequate liability insurance to meet any financial liability arising from the non-execution of its commitments. It has, to a great extent, automated its business processes to improve efficiency and accuracy.

Channel Risks	The Retail segment has adopted the franchise business model, and the Institutional segment also hires examination centres to conduct its exams. Qualities, capabilities, and commitment of these business partners will impact the growth potential, delivery parameters, operational efficiency, and ultimately its brand reputation for the Company's businesses.	Careful selection of Business Partners, documented processes, regular audits, active support and capability development to the partners, proactive resolution and redressal of issues, constant contact to anticipate any probable problems, and elimination of non-performers are the key measures that the Company follows to manage the risk arising from defaults by channel partners.
Legal & Regulatory Risks	Education is a highly regulated sector in most countries where the Company operates. However, the non-formal vocational and preschool education segment in which the Company operates are generally not regulated by the Governments. Any adverse changes in the applicable regulatory framework can lead to business disruption for the Company. Also, any non-compliance with existing regulations applicable to the Company as a listed corporate entity may lead to penalties, loss of business, or reputation.	The Company ensures complete compliance with the applicable regulations and has placed a responsibility matrix for the same. It also actively works with industry associations to promote a favourable regulatory environment for the sector.
Security Risks	Security threats to the Company's assets may be from theft, attack, and disruptions of its physical, IT, data, and Human Resource assets.	Adequate security processes and assets have been put in place to prevent security incidents. The Company has also purchased relevant asset insurances.

### **Internal Controls and Their Adequacies**

The internal control framework implemented by the Company is oriented towards achieving the objectives of operational efficiency and quality, process and regulatory compliance, asset safety, reporting accuracy, and risk management. The audit and control processes are aligned with the needs of the business model and in line with its organizational structure. A comprehensive review of the control processes is undertaken at periodic intervals, and improvements are implemented along with the related systems in line with the changes in business needs and the latest best practices. In addition to such processes and systems for controls, regular performance reviews, and robust internal communication practiced by the senior management ensure appropriate compliance with organizational directives. All such processes have been documented in line with the quality standard requirements, and strict recording and audit trail of all business transactions are maintained. The outcomes of control audits are reviewed by the appropriate committees of the members of the Board of Directors and non-compliances and errors discussed and corrected.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

## CORPORATE GOVERNANCE

### PHILOSOPHY:

Your Company believes that Corporate Governance is critical to sustaining corporate development, increasing productivity and competitiveness. The governance process should ensure that available resources are utilized in a manner that meets the aspirations of all its stakeholders. Your Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

### BOARD OF DIRECTORS:

#### Composition:

The Board of Directors provide strategic direction and thrust to the operations of the Company. The Board has a Non-Executive Chairman who is the promoter of the Company and the numbers of independent directors are one-half of the total number of directors. None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees (as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), across all the companies in which he is a Director. Hence, the Company complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) norms for Composition of Board of Directors.

#### Attendance at Meetings:

During the financial year ended 31<sup>st</sup> March 2020 under review, the Board of Directors met 4 times on 21<sup>st</sup> May 2019, 22<sup>nd</sup> July 2019, 24<sup>th</sup> October, 2019 and 29<sup>th</sup> January 2020. The gap between two meetings during the year did not exceed four months.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting held on 22<sup>nd</sup> July, 2019, and also the number of Committee Memberships held by them in other public companies including the names of listed companies where the person is director and the category of directorship are given below:

Names of the Directors	Category	No. of Board Meetings attended during the year ended 31 <sup>st</sup> March 2020	Whether attended AGM held on 22 <sup>nd</sup> July, 2019	Names of listed companies where the person is director and the category of directorship as on 31 <sup>st</sup> March 2020	No. of Committee positions held in other public listed companies incorporated in India as on 31 <sup>st</sup> March 2020	
					Chairman	Member
Mr.Rakesh Jhunjhunwala, Chairman	Promoter Non-Executive	2	No	1.Delta Corp Ltd- Director, Non-Executive -Non Independent Director	Nil	Nil

Mr. Anil Pant, Managing Director & CEO	Non Independent Executive	4	Yes	Nil	Nil	Nil
Mr. Ninad Karpe	Non – Executive Non Independent	3	Yes	Nil	Nil	Nil
Mr. Asit Koticha	Non Executive - Independent	1	No	Nil	Nil	1
Mr. Rajiv Agarwal	Non- Executive , Non Independent	4	Yes	Nil	Nil	Nil
Mr. Ramesh. S Damani	Non Executive, Independent	4	Yes	1.Avenue Supermarts Limited – Director, Non- Executive - Independent Director, Chairperson  2.V.I.P INDUSTRIES LIMITED-Non- Executive - Independent Director	1	4
Mr. Utpal Sheth	Non- Executive Non Independent	4	Yes	1. NCC Ltd – Director, Non- Executive – Non Independent Director	Nil	Nil
Mr. Vijay Aggarwal	Non- Executive Independent	4	Yes	Prism Johnson Ltd- Managing Director	1	2
Mrs. Madhu Jayakumar	Non- Executive - Independent	4	Yes	MultiCommodi ty Exchange of India - Non-Executive -Non Independent Director	NIL	1
Mr. Madhusudan Kela	Non executive - Independent	3	No	Nil	Nil	Nil

Mr. Nikhil Dalal	Non executive - Independent	3	Yes	Nil	Nil	Nil
Mr. Anuj Kacker Wholetime Director	Non Independent and Executive, Whole Time Director	4	Yes	Nil	Nil	Nil

#### Notes:

- 1) The Committees considered for the purpose of calculation of membership and/or chairmanship as discussed above are those as specified in the Listing Regulations i.e Audit Committee and Stakeholder Relationship Committee.
- 2) Mr. Asit Koticha (DIN: 00034266), Independent Director of the Company tendered his Resignation from the post of Director of the Company with effect from 15th June, 2020 due to his other preoccupations.

#### Other Provisions: Disclosure of relationships between directors inter-se

The Company confirms that it did not have any material pecuniary relationship or transaction with any Non-Executive Director during the year ended 31<sup>st</sup> March 2020, except for the payment of Sitting Fees for attending the Board and/or the Committee meetings and commission.

The information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available to the Board. The Audit Committee of the Board of Directors periodically reviews the compliance report submitted by the Managing Director regarding compliance with the various laws applicable to the Company. The Company has a succession plan in place for appointment to the board of directors and senior management.

#### Code of Conduct:

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The said code of conduct has been posted on the website of the Company. Further, all the Board Members and Senior Management personnel have affirmed compliance with the said code of conduct for the year ended 31<sup>st</sup> March, 2020. Necessary declaration to this effect signed by the Mr. Anil Pant, Managing Director & CEO forms a part of the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2020.

The Board has identified interalia the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Asset management, investment management, risk management, general management, Corporate finance, banking, academic, strategy & operations, marketing, HR etc.

The Directors have the following skills:

Sr. no.	Name of the Director	Skills/Expertise/ Competencies
1	Mr. Rakesh Jhunjunwala	Asset management, proprietary investment
2	Mr. Vijay Aggarwal	General Management
3	Mr. Ramesh Damani	Finance and media
4	Mrs. Madhu Jayakumar	Banking, risk management, process engineering & redesign

5	Mr. Utpal Sheth	Investment research, Investment Management and Investment Banking
6	Mr. Asit Koticha	Equity research, Investment Management & Institutional Brokerage
7	Mr. Ninad Karpe	General Management including strategy, operation, Marketing, HR, Finance & Technical
8	Mr. Madhusudan Kela	Investment Research, Investment Management
9	Mr. Rajiv Agarwal	Strategy & Operations Consulting Services
10	Mr. Nikhil Dalal	Academic Consultant, Finance.
11	Mr. Anil Pant	General Management
12	Mr. Anuj Kacker	General Management

### **Familiarisation programmes for Independent Director:**

To familiarize new Independent Directors with the strategy, operations and functions of our Company, the Company's presentation on strategy, operations, product offerings, markets, organization structure, finance, human resources, technology, etc. is given at the time of their induction and thereafter during the Board meetings and/or committees thereof.

Note on familiarization for Independent Directors is posted on the Company's Website on the link: <http://www.aptech-worldwide.com/pages/investor-relations/investorrelations.html>

### **AUDIT COMMITTEE:**

The Composition of the Audit Committee as on 31<sup>st</sup> March, 2020 is as follows: -

Mr. Vijay Aggarwal (Chairman)  
Mr. Ramesh S. Damani (Member)  
Mrs. Madhu Jayakumar (Member)

All the members of Audit Committee are Independent Directors. Statutory auditors, internal auditors and CFO attend the meetings of the Committee at the invitation of the Chairman. The Company Secretary acts as the Secretary of the Committee. All the members are financially literate and possess necessary expertise in finance or accounting or any other comparable experience or background.

The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as regards composition of Audit Committee.

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub - section 3 of section 134 of Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.

- Major accounting entries involving estimates based on the exercise of judgment by Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investment;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (incase of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower Mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc . of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

The Audit Committee has also been granted powers as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

During the year under review, Audit Committee met 4 times on 21<sup>st</sup> May, 2019, 22<sup>nd</sup> July, 2019, 24<sup>th</sup> October, 2019 and 29<sup>th</sup> January 2020 with a gap of not more than four months. The details of the meetings attended by the Directors are given below:

<b>Names of Members</b>	<b>Category</b>	<b>No. of Meetings attended during the year ended 31<sup>st</sup> March 2020</b>
Mr. Vijay Aggarwal – Chairman	Independent	4
Mr. Ramesh S. Damani-Member	Independent	4
Mrs. Madhu Jayakumar - Member	Independent	4

## **VIGIL MECHANISM**

With a view to provide for adequate safeguards against victimization of persons, the Company has established vigil mechanism (Whistle Blowing).

It is the policy of the Company to provide adequate safeguards against victimisation of employees and not to allow retaliation against the employee who makes a good faith report about possible violation of Company's Code of Conduct. Suspected violation of this Code, evidence of illegal or unethical behaviour may be reported to the Managing Director & CEO on designated email id [whistleblower@aptech.ac.in](mailto:whistleblower@aptech.ac.in) . All reported violations are appropriately investigated.

Employees are expected to fully cooperate in internal investigations of misconduct. Their identity shall be kept strictly confidential by the Company. In exceptional cases, employees can have direct access to Mr. Vijay Aggarwal, Chairman of the Audit Committee on the designated email id: [chairmanauditcommittee@aptech.ac.in](mailto:chairmanauditcommittee@aptech.ac.in) for the purpose of bringing to the attention of the Audit Committee any issues, questions, concerns or complaints they may have regarding accounting, internal accounting controls, auditing matters or other genuine concerns.

Details of the above mechanism are posted on Company's website <https://www.aptech-worldwide.com/downloads/code-of-conduct/WhistleBlowerPolicy.pdf>

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The term of reference of the Stakeholder's Relationship Committee include redressing shareholder and investor complaints like non – receipt of transfer and transmission of shares, non - receipt of duplicate share certificate, non - receipt of balance sheet, non - receipt of dividends etc. and to ensure expeditious share transfer process.

During the year under review, the Committee met once on 21<sup>st</sup> May, 2019

The Composition of the Stakeholders' Relationship Committee along with the details of the meetings attended by the Directors is given below:

<b>Names of Members</b>	<b>Category</b>	<b>No. of Meetings attended during the year ended 31<sup>st</sup> March 2020</b>
Mr. Ramesh S. Damani – Chairman	Independent	1
Mr. Asit Koticha, Member	Independent	1
Mr. Anil Pant, Member	Executive	1

**Name and Designation of Compliance Officer:** Mr. Ketan H. Shah, Company Secretary & Compliance Officer.

**Status of Complaints received during the year ended March 31, 2020:**

<b>Nature of Complaints</b>	<b>Received</b>	<b>Resolved</b>	<b>Pending</b>
Relating to Transfer, Transmission etc.	0	0	Nil
Other / Miscellaneous	2	2	Nil
<b>TOTAL</b>	2	2	Nil

**Pending Transfers:**

There were no pending transfers as on 31<sup>st</sup> March 2020.

**INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on 29<sup>th</sup> January 2020, interalia to discuss:

- Evaluation of the performance of Non-Independent Directors
- Evaluation of the performance of Chairman of the Company
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably to perform its duties.

The following Independent Directors were present at the Meeting:

- Mrs. Madhu Jayakumar
- Mr. Vijay Aggarwal
- Mr. Ramesh Damani
- Mr. Nikhil Dalal

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Regulation 16(1) (b) of SEBI (LODR), Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. In the opinion of the Board of Directors, all Independent Director fulfills the above criteria and are independent of the management.

**Resignation of an Independent Director:**

No Independent Director have resigned from the position of Independent Director before the expiry of the tenure during the Financial Year 2019-20.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Pursuant to Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee consists of three Directors. The composition of committee as on 31<sup>st</sup> March 2020 is as follows:

- Mrs. Madhu Jayakumar (Chairman)

- Mr. Rajiv Agarwal
- Mr. Anil Pant

Terms of reference of the Corporate Social Responsibility Committee include formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy and monitoring the CSR Policy of the Company from time to time. With a view to enlarge the scope of CSR activities, the Company revised the CSR Policy to enable providing skill development to underprivileged children and youth besides the existing activities. The revised policy also facilitates education by providing financial assistance to the NGOs which are working in the field of development of children and youth through education. The CSR policy is given in the Company's website <https://www.aptech-worldwide.com/>

During the year under review, the Committee met 2 times on 21<sup>st</sup> May 2019 and 24<sup>th</sup> October 2019.

The Composition of the CSR Committee along with the details of the meetings attended by the Directors is given below:

<b>Names of Members</b>	<b>Category</b>	<b>No. of Meetings attended during the year ended 31<sup>st</sup> March 2020</b>
Mrs. Madhu Jayakumar, Chairman of the Committee	Independent	2
Mr. Rajiv Agarwal	Non Executive	2
Mr. Anil Pant	Non-Independent, Executive	2

#### **NOMINATION & REMUNERATION COMMITTEE:**

During the year under review, the Nomination & Remuneration Committee met 3 times on 21<sup>st</sup> May, 2019, 24<sup>th</sup> October 2019 and 29<sup>th</sup> January 2020. The composition of the Committee along with the details of the meeting attended by the Directors is given below:

<b>Names of Members</b>	<b>Category</b>	<b>No of Meetings attended during the year ended 31<sup>st</sup> March 2020</b>
Mr. Vijay Aggarwal – Chairman	Independent	3
Mr. Utpal Sheth, Member	Non-Executive	3
Mr. Ramesh.S. Damani , Member	Independent	3

The terms of reference of the Nomination and Remuneration Committee are as follows:

- a) To determine the Company's policy on specific remuneration packages for Managing Director/Whole-time Director including pension rights and any compensation payment.
- b) To do such other acts, deeds, matters and things as are necessary for or incidental to the carrying out of any of the above functions.

The Committee has approved Remuneration Policy at its meeting held on 9<sup>th</sup> February, 2015. The remuneration paid during the year is as per the remuneration policy. The matters relating to remuneration of Managing Director/Whole time Director is decided by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee and as per the terms approved by the shareholders at the General Meeting. The Nomination and Remuneration policy is given in the Company's website.

### **Acceptance of recommendation of committee of the board by the Board of Directors:**

There were no instances where the Board of Directors had not accepted any recommendation of any committee of the board which is mandatorily required, in the financial year 2019-20.

### **Performance evaluation criteria for Independent Directors:**

In line with the Corporate Governance Guidelines of your Company, annual performance evaluation was conducted for all Board Members, for Individual Director including Independent Directors, its Committees and Chairman of the Board. This evaluation was led by the Board as a whole on the basis of the parameters provided in the evaluation framework. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations. The Board evaluation was conducted through qualitative parameters and feedback based on ratings.

In view of the above the Company conducted a formal Board Effectiveness Review as a part of its efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board of Directors (Board), its Committees and individual directors.

### **STRATEGY COMMITTEE:**

During the year under review, the Strategy Committee met 2 times on 21<sup>st</sup> May, 2019 and 24<sup>th</sup> October 2019. The composition of the Committee along with the details of the meeting attended by the Directors is given below:

<b>Names of Members</b>	<b>Category</b>	<b>No of Meetings attended during the year ended 31<sup>st</sup> March 2020</b>
Mr. Vijay Aggarwal –Chairman	Independent	2
Mr. Utpal Sheth	Non-Executive	2
Mr. Rajiv Agarwal	Non- Executive	2
Mr. Anil Pant	Executive	2

The primary role of the Strategy Committee is strategic management of the businesses of the Company and subsidiaries within the Board approved direction/framework. The Strategy Committee operates under the strategic supervision and control of the Board.

### **Criteria for performance evaluation of Directors**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, during the year under review, the Board carried out the annual evaluation of its own performance. A structured questionnaire covering various aspects of functioning of the Board, Committees and Directors such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance was distributed to each member of the Board and inputs were received. The Directors expressed their satisfaction with the evaluation process.

The Board of Directors at its meeting held on 21<sup>st</sup> July, 2016 appointed Mr. Anil Pant as Managing Director & CEO with effect from 3<sup>rd</sup> November, 2016 of the Company to hold office upto 20<sup>th</sup> July, 2021. Approval of shareholders at the annual general meeting held on 27<sup>th</sup> September, 2016 in respect of his appointment has been obtained.

The details of remuneration paid to Mr. Anil Pant are as follows:

<b>Particulars of remuneration</b>	<b>(Period: 1st April 2019 to 31st March 2020) Amount (in Rs. Lacs)</b>
Salary	247.89

Perquisites including Employee Stock Options	143.29
Contribution to Provident Fund, Superannuation Fund	13.10
<b>TOTAL</b>	<b>404.28</b>

The Shareholders had at the annual general meeting held on 31<sup>st</sup> July 2017 approved re-appointment of Mr. Anuj Kacker as Wholetime Director of the Company for the period from 1<sup>st</sup> November 2017 to 31<sup>st</sup> October 2022.

The details of remuneration paid to Mr. Anuj Kacker are as follows:

<b>Particulars of remuneration</b>	<b>(Period: 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020) Amount (in Rs. Lacs)</b>
Salary	123.43
Perquisites including Employee Stock option	8.18
Contribution to Provident Fund, Superannuation Fund	8.20
<b>TOTAL</b>	<b>139.81</b>

Details of shareholding of non-executive directors other than promoter directors in the Company as on 31<sup>st</sup> March 2020 are as follows:

<b>Names of Directors</b>	<b>Category</b>	<b>No. of shares</b>
Mr. Ramesh Damani	Independent Non-Executive	2,08,500
Mr. Rajiv Agarwal	Non-Executive	58,100

The Non-Executive Directors (NEDs) did not draw any remuneration from the Company except the Sitting Fees which is paid to them for attending Board / Committee meeting(s).

The details of the Sitting Fees paid to the Non-Executive Directors for the year ended 31<sup>st</sup> March 2020 are as follows:

<b>Name of Director</b>	<b>Sitting Fees (Amount in Rs.)</b>
Asit Koticha	40,000/-
Rajiv Agarwal	1,60,000/-
Ramesh S. Damani	2,40,000/-
Utpal Sheth	1,80,000/-
Vijay Aggarwal	2,60,000/-
Madhu Jayakumar	2,00,000/-
Ninad Karpe	60,000/-
Madhusudan Kela	60,000/-
Nikhil Dalal	60,000/-
<b>Total:</b>	<b>12,60,000/-</b>

#### **Criteria of making payments to Non-Executive Directors:**

The Company has policy on making payment of Remuneration which include Criteria of making payments to non-executive directors. The said policy is available on website of the Company and the same can be access at :

<https://www.aptech-worldwide.com/downloads/aptech-policy/Remuneration-Policy.pdf>

## Subsidiary Companies:

As on the close of the accounting year ended 31<sup>st</sup> March 2020, turnover of Maya Entertainment Limited, which is a subsidiary of Aptech Limited exceeded 20% of the consolidated turnover of Aptech Limited and its subsidiaries. In view of the same, Maya Entertainment Limited became a Material Unlisted Subsidiary Company of Aptech Limited.

The Board of Directors of Maya Entertainment Limited and Attest Testing Services Limited, wholly owned subsidiaries of the Company, at their respective meetings held on September 11, 2019 had approved the Scheme of Amalgamation of Attest Testing Services Limited ("the Transferor Company") with Maya Entertainment Limited ("the Transferee Company") with effect from April 1, 2019, being the appointed date. The Scheme was approved by the National Company Law Tribunal at Mumbai on February 28, 2020 which became effective from 5<sup>th</sup> March 2020. Thereafter the name of the Company has been changed from Maya Entertainment Limited to 'MEL Training & Assessments Limited'.

The Audit Committee has approved a policy on Material Subsidiary which has been uploaded on the Company's website :

<http://www.aptech-worldwide.com/downloads/aptech-policy/Policy-on-Material-Subsidiaries.pdf>

## Disclosures:

- (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 during the financial year were in the ordinary course of business and on an arms length basis. Details of Related party Transaction are given in Annexure - AOC-2 of Director's Report.

The Audit Committee has approved a policy for Related Party Transactions which has been uploaded on the Company's website :

[https://www.aptech-worldwide.com/downloads/InvestorPolicy/Aptech\\_RPTPolicy2019.pdf](https://www.aptech-worldwide.com/downloads/InvestorPolicy/Aptech_RPTPolicy2019.pdf)

- (b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL

- (c) The Company has a Whistle Blowing procedure in place as per the Code of Conduct & Ethics. The Company also maintains a website known as 'Aptalk' which is a platform developed exclusively for all Aptech employees to Connect, Converse & Collaborate. This site helps employees to know their colleagues, to share information & industry news with them, to exchange their thoughts and collaborate together to create a vibrant online community of Aptech employees all over the world. This site is open to all members who have been assigned an Aptech email ID. Further, the Company holds open house meetings, skip level meetings, exit interviews etc. wherein the employees are encouraged to freely express the various issues faced by them within the Company and the same are noted by the HR Division for escalation and necessary resolution.

The Whistle Blower Policy (Vigil Mechanism policy) is available on the Company's website and the same can be access at:

<https://www.aptech-worldwide.com/downloads/code-of-conduct/WhistleBlowerPolicy.pdf>.

The Company confirms that No personnel has been denied access to the audit committee.

- (d) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:

All the mandatory items of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, interalia as listed below, have been complied with and covered in this report:

- (i) Brief statement on Company's philosophy on code of governance;
- (ii) Board of Directors;
- (iii) Audit Committee;
- (iv) Nomination and Remuneration Committee;
- (v) Remuneration of Directors
- (vi) Stakeholders' Relationship Committee;
- (vii) General Body Meetings;
- (viii) Other Disclosures;
- (ix) Means of Communication;
- (x) General Shareholder Information.

(e) **Policy for determining 'material' subsidiaries**

Details of the Policy for determining 'material' subsidiaries is available on the website and the link for the same is:

<http://www.aptech-worldwide.com/downloads/aptech-policy/Policy-on-Material-Subsidiaries.pdf>

(f) The following information has been disclosed in the "Form MGT-9" for the Financial Year 2019-20 uploaded on the website of the Company <https://www.aptech-worldwide.com/>

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

**Board Disclosures:**

The Company follows adequate procedures to inform Board members about the risk assessment and minimization procedures.

**Prevention of Insider Trading**

The Company has framed and implemented a Code on Prevention of Insider Trading in accordance with the Code prescribed by SEBI (Prohibition of Insider Trading) Regulation, 2015 and disclosed on the website of the Company viz.:

<https://www.aptech-worldwide.com/downloads/code-of-conduct/CodeofConductInsiderTrading.pdf>

**Compliance with Non – Mandatory Requirements**

The Company is compliant with non Mandatory requirements of Regulation 27(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent it is applicable to the Company.

- The Chairperson is a non executive director and he maintains his own office.
- The position of the Chairman of the Board of Directors and the CEO is separate.
- The Internal Auditor reports directly to the Audit Committee in all functional matters.

**CEO and CFO Certification:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Anil Pant, Managing Director & CEO and Mr. T. K. Ravishankar, CFO and Executive Vice President have issued certificates to the Board of Directors which forms a part of the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2020 .

## Certificate from Company Secretary in Practice: In process

Mr. Suhas S. Ganpule of S G & Associates, Practicing Company Secretary has issued a certificate as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that none of Directors of the Company are debarred or disqualified from being appointed or to continue as Directors of the Company by the SEBI/Ministry of Corporate Affairs or any another Statutory Authority. The said certificate is available on Company's website:

[www.aptech-worldwide.com](http://www.aptech-worldwide.com)

## Details of total fees paid to statutory auditors:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors are as follows:

Particulars	Financial Year 2019-20 (INR in Lakhs)
Audit fees	19.90
For other services (certifications, etc.)	1.05
Tax Audit & TP Audit fees	7.50
Limited Review (3 Number )	9.60
Reimbursement of Expenses	1.43
<b>Total</b>	<b>39.48</b>

## GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings held from the year 2016-17 to 2018-19 are given below, in the ascending order:

2016-17: The Seventeenth Annual General Meeting of the company was held on 31<sup>st</sup> July, 2017 at "M C Ghia Hall , Suryodaya baquets Pvt ltd, 18/20, 4<sup>th</sup> floor, Bhogilal Hargovindas Building, K Dubhash Marg, Kalaghoda, Behind prince of Wales museum, Fort, Mumbai – 400001 at 4.00 P.M.

2017-18: The Eighteenth Annual General Meeting of the company was held on 26<sup>th</sup> July, 2018 at "Rangaswar Hall", Chavan Centre, 4<sup>th</sup> Floor, Jagannath Bhosle Marg, next to Sachivalaya Gymkhana, Mumbai-400 021 at 4:00 P.M.

2018-19: The Nineteenth Annual General Meeting of the company was held on 22<sup>nd</sup> July, 2019 at "Kamalnayan Bajaj Hall", Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021 at 4.00 p.m.

At all the above annual general meetings, in compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and SEBI circular dated 17<sup>th</sup> April 2014, the Company had offered e-voting facility as an alternative mode of voting to enable the Members to cast their votes electronically. Necessary arrangements were made by the Company with KFIN TECHNOLOGIES PRIVATE LIMITED to facilitate e-voting.

## Details of the Special Resolutions passed in the previous three Annual General Meetings:

At the Seventeenth Annual General Meeting held on 31<sup>st</sup> July, 2017, Special Resolution was passed pertaining to:

- (i) Approval for Re-appointment of Mr. Anuj Kacker as Wholetime Director upto 31<sup>st</sup> October, 2022

- (ii) Approval for payment of Remuneration to Mr. Ninad Karpe during the Financial Year 2014-15 and 2015-16 and waiver of excess remuneration paid to Mr. Ninad Karpe for the financial years 2014-15 and 2015-16
- (iii) Approval for payment of remuneration to Mr. Anuj Kacker during the Financial Year 2015-26 and waiver of excess remuneration paid to Mr. Anuj Kacker for the financial year 2015-16

At the Eighteenth Annual General Meeting held on 26<sup>th</sup> July, 2018, Special Resolution was passed pertaining to:

- (i) Re-appointment of Mr. Vijay Aggarwal as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company w.e.f 1<sup>st</sup> April, 2019
- (ii) Re-appointment of Mr. Ramesh Damani as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company w.e.f 1st April, 2019.
- (iii) Approval for payment of Remuneration to Mr. Anil Pant for the Financial Year 2017-18 and waiver of excess remuneration paid to Mr. Anil Pant for Financial Year 2017-18
- (iv) Approval for payment of Remuneration to Mr. Ninad Karpe for the Financial Year 2015-16 and waiver of excess remuneration paid to Mr. Ninad Karpe for FY 2015-16.

At the Nineteenth Annual General Meeting held on 22<sup>nd</sup> July, 2019, Special Resolution was passed pertaining to:

- (i) Re-appointment of Mrs. Madhu Jayakumar as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company w.e.f 24th September, 2019.
- (ii) Approval for payment of Remuneration to Mr. Anil Pant for the Financial Year 2018-19 and waiver of excess remuneration paid to Mr. Anil Pant for the year ended 31<sup>st</sup> March 2019.

#### **Details of special resolution passed last year through postal ballot:**

Company had not passed any special Resolution through postal ballot in the last Financial Year.

#### **Means of Communication:**

- Is half yearly report sent to each household of shareholders : No
- Quarterly Results - Which newspapers normally published in : Free Press Journal, Navshakti
- Any Website, where displayed : www.aptech-worldwide.com
- Whether it also displays, official news releases and Presentations made to institutional investors / analysts : Yes
- Whether MD & A is a part of Annual Report : Yes

#### **General Shareholder Information:**

AGM: Date, Time and Venue : 15<sup>th</sup> July 2020 at 3.30 p.m. through VC

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Directors seeking appointment/re-appointment are given in the Explanatory Statement to the Notice dated 15<sup>th</sup> June 2020 of the Annual General Meeting to be held on 15<sup>th</sup> July 2020.

#### **Financial Calendar:**

- A. Next Financial Year : 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021
- B. First Quarter results : to be published by 14<sup>th</sup> August 2020
- C. Second Quarter results : to be published by 14<sup>th</sup> November 2020
- D. Third Quarter results : to be published by 14<sup>th</sup> February 2021
- E. Results for the year ending 31<sup>st</sup> March, 2020 : to be published by 30<sup>th</sup> May 2021
- F. Date of Book Closure : NA

**Dividend Payment Date** : Within 30 days of Annual General Meeting, if declared

## Listing of Equity Shares

:The Company's equity shares are listed on the Following Stock Exchanges in India:

- (i) BSE Limited,  
25th Floor, P J Towersdalal Street Mumbai - 400001
- (ii) National Stock Exchange of India Ltd,  
Exchange Plaza, C-1, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051

The Company has paid the annual listing fees to the above Stock Exchanges for the financial year 2019-20.

## Stock Code

The Code for the Company's shares is as follows:-

Bombay Stock Exchange Limited	:	532475
The National Stock Exchange of India Limited	:	APTECHT
ISIN No. for Shares in Dematerialized Mode	:	INE266F01018

## Market Information:

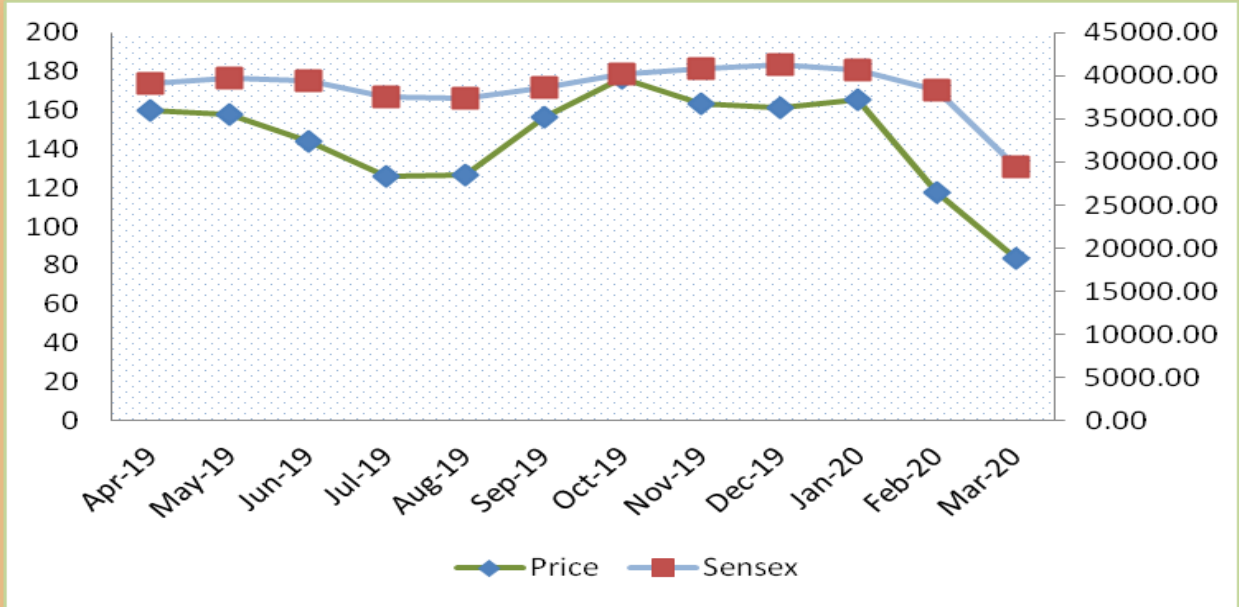
Aptech Share Price Data:

Month and Year	BSE Limited		National Stock Exchange of India Ltd	
	(Rs.)		(Rs.)	
	High	Low	High	Low
Apr-19	184.05	158.50	184.50	158.00
May-19	176.70	127.55	176.90	126.80
Jun-19	163.40	131.00	163.90	131.00
Jul-19	152.70	111.80	153.00	111.60
Aug-19	140.05	115.40	140.95	115.00
Sep-19	164.30	121.50	164.45	121.35
Oct-19	183.00	141.00	183.35	140.15
Nov-19	192.75	157.55	193.45	157.50
Dec-19	176.00	146.10	176.40	146.10
Jan-20	191.40	145.00	191.55	148.00
Feb-20	168.95	115.70	168.80	115.70
Mar-20	124.50	65.55	124.50	65.55

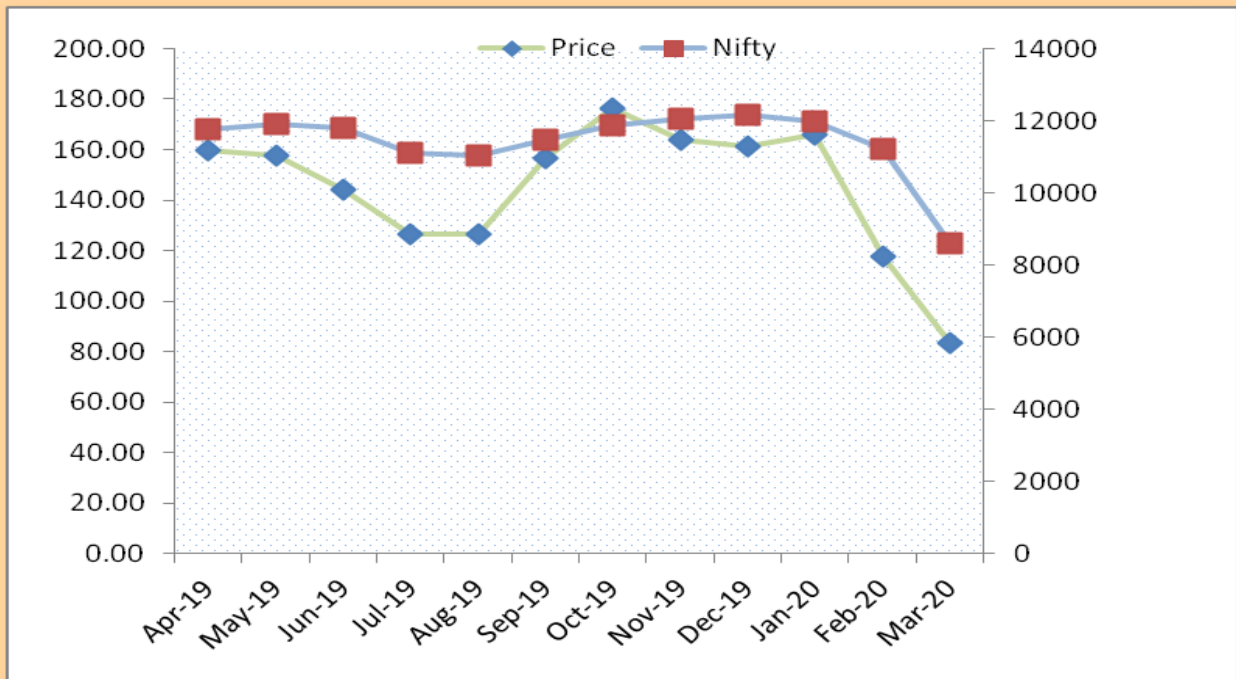
(Source: [www.bseindia.com](http://www.bseindia.com) and [www1.nseindia.com](http://www1.nseindia.com) )

**Stock Performance: (Indexed)**

**Performance in comparison to BSE SENSEX**



**Performance in comparison to Nifty 50**



**Registrar and Share Transfer Agents:** M/s. KFin Technologies Private Limited  
 Selenium, Tower B, Plot No- 31 & 32, Financial District,  
 Nanakramguda, Serilingampally Hyderabad Rangareddi -  
 500032  
 Tel No : +91 40 6716 2222  
 Fax No: + 91 40 2342 0814  
 Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

### Share Transfer System:

Share Transfers in physical form can be lodged with KFin Technologies Private Limited at the above mentioned address.

Such transfers are normally processed within 15 days from the date of receipt if the documents are in order in all respects.

### Unclaimed Dividends:

Pursuant to section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016 ("IEPF Rules"), dividend if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further Pursuant to sections read with the rules as referred above, all shares in respect of which dividend is not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company shall also be transferred to IEPF

In the interest of the shareholders, the company had sent reminders to the shareholders to claim their dividend in order to avoid transfer of dividends/shares to IEPF Authority. Notice in this regard were also published in the newspapers. The details of unclaimed dividend and shareholders whose shares are transferred to the IEPF Authority, are uploaded on the Company's website - <https://www.aptech-worldwide.com/downloads/news-and-notification/TransfertoIEPFsuspenseaccount.pdf>

Given below are indicative due dates for claim of unclaimed equity dividend by shareholders post which the dividend shall be transferred to the Investor Education and Protection Fund (IEPF) by the Company:

Financial Year	Date of Declaration	Rate of dividend per share (Rs.)	Due date for transfer to IEPF
2012-13 (Final Dividend)	30/09/2013	2.50	29/10/2020
2013-14 (Interim Dividend)	20/01/2014	2.00	19/02/2021
2013-14 (Interim Dividend)	13/05/2014	2.50	12/06/2021
2014-15 (Interim Dividend)	09/02/2015	1.50	08/03/2022
2014-15 (Interim Dividend)	29/04/2015	1.75	28/05/2022
2015-16 (Interim Dividend)	03/02/2016	1.00	02/03/2023
2016-17 (Interim Dividend)	24/05/2017	3.00	23/06/2024
2017-18 (Interim Dividend)	30/05/2018	3.50	29/06/2025
2018-19 (Interim Dividend)	21/05/2019	3.50	20/06/2026
2019-20 (Interim Dividend)	07/03/2020	4.50	06/04/2027

### Distribution of Shareholding :

No. of Equity shares held	As on March 31, 2020				As on March 31, 2019			
	No. of Share holders	% of Shareholders	Total No. of Shares held	% of Shareholding	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding
<b>1-500</b>	58709	94.97	4137923	10.28	60786	95.05	4180542	10.48
<b>501-1000</b>	1533	2.48	1220769	3.03	1525	2.38	1220189	3.06
<b>1001-2000</b>	747	1.21	1133511	2.82	755	1.18	1157328	2.90
<b>2001-3000</b>	262	0.42	673582	1.67	284	0.44	728510	1.83
<b>3001-4000</b>	135	0.22	484163	1.20	142	0.22	504892	1.27
<b>4001-5000</b>	113	0.18	537759	1.34	121	0.19	575098	1.44
<b>5001-10000</b>	154	0.25	1117698	2.78	166	0.26	1198922	3.01
<b>10001 and above</b>	167	0.27	30949149	76.88	175	0.27	30328079	76.02
<b>TOTAL</b>	<b>61820</b>	<b>100.00</b>	<b>42054554</b>	<b>100.00</b>	<b>63954</b>	<b>100.00</b>	<b>39893560</b>	<b>100.00</b>

### Categories of Shareholding:

Sr. No.	Category	As on March 31, 2020			As on March 31, 2019		
		No. of Shareholders	No. Of Shares	Voting Strength	No. of Shareholders	No. Of Shares	Voting Strength
1	Promoter & Promoter Group	6	19717540	48.98	6	19742540	49.49
2	Mutual Funds	2	1869	0.00	2	1869	0.00
3	Banks , Indian Financial Institutions	11	335831	0.83	12	103284	0.26
4	FII's and Foreign Portfolio - Corp	17	4178998	10.38	16	3610055	9.05
5	NRIs	1038	649883	1.61	1058	576829	1.45
6	OCBs	0	0	0.00	0	0	0.00
7	Foreign National /Financial Banks	0	0	0.00	0	0	0.00
8	Clearing Members ,Bodies Corporates, NBFC, IEPF	659	2238861	5.56	850	2545569	6.38
9	GDR	0	0	0.00	0	0	0.00
10	Trust	4	40360	1.10	3	40508	0.10
11	Resident Individuals , Directors and their Relatives , HUF	60083	13091212	32.52	62007	13272906	33.27
	<b>TOTAL</b>	<b>61820</b>	<b>40254554</b>	<b>100</b>	<b>63954</b>	<b>39893560</b>	<b>100.00</b>

## Foreign Exchange Risk and Hedging Activities

Company is exposed to foreign exchange risk on account of import and export transactions entered. The Company is proactively mitigating risks by entering into commensurate hedging transactions with banks.

Details are given in notes to the financial Statement.

## Dematerialization of Shares and liquidity:

Trading in the Equity Shares of the Company is permitted only in dematerialized form. Over 98.91% of the Company's Share Capital was dematerialized as on 31<sup>st</sup> March, 2020.

The Company's shares are regularly traded on BSE Limited and the National Stock Exchange of India Ltd.

## Disclosures with respect to demat suspense account/ unclaimed suspense account:

Following is the details of shares in the demat suspense account or unclaimed suspense account, as applicable during the Financial Year 2019-20:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NA
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	NA
Number of shareholders to whom shares were transferred from suspense account during the year	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NA
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	NA

## Outstanding GDRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

22,542 Global Depository Receipts of erstwhile Aptech Limited (hereinafter "Old GDRs") (P.Y. 11,271) representing 11,271 underlying equity shares (2 GDR equals 1 Equity Share ) of face value Rs. 10/- each are outstanding as on 31<sup>st</sup> March, 2020 .

## Plant locations:

Your Company is in Training and education industry and hence does not have any plant.

## Credit Rating:

During the Financial Year 2019-20, the Company has obtained borrowing of INR 1105.82 Lakhs from various banks. The said borrowing was secured against the fixed deposit deployed by the Company with the bankers and hence credit rating was not required to be obtained.

### **Compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints.

The below table provides details of complaints received/disposed during the financial year 2019-20:

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year.	NIL

### **Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:**

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.

### **Compliance certificate from the auditors regarding compliance of conditions of corporate governance:**

The Company is committed in maintaining the highest standards of Corporate Governance and adhering to the corporate governance requirements as set out by Securities Exchange Board of India. A separate section on Corporate Governance is included in the Annual Report along with a Certificate from M/s. Bansi S. Mehta & Co., Chartered Accountants in practice, confirming compliance with conditions on requirements of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The auditors' certificate for Financial Year 2019-2020 does not contain any qualification, reservation or adverse remark. The said auditors' certificate is annexed to the Director's Report.

### **Company's Office Address for correspondence:**

#### **Registered and Corporate Office:**

Aptech House, A-65, M.I.D.C., Marol,

Andheri (East), Mumbai – 400 093.

Tel.: +91-2268282300/01

Email: [investor\\_relations@aptech.ac.in](mailto:investor_relations@aptech.ac.in)

Website: [www.aptech-worldwide.com](http://www.aptech-worldwide.com)

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L72900MH2000PLC123841
2. Name of the Company: Aptech Limited
3. Registered address: Aptech House, A-65, MIDC, Marol, Andheri (E) Mumbai 400093
4. Website: [www.aptech-worldwide.com](http://www.aptech-worldwide.com)
5. E-mail id: [info@aptech.ac.in](mailto:info@aptech.ac.in); [investors\\_relations@aptech.ac.in](mailto:investors_relations@aptech.ac.in)
6. Financial Year reported: 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
  - (a) Other Educational Services n.e.c- 85499
  - (b) Educational Support Services -Testing Evaluation Services-85500
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
  - (a) Training and Education
  - (b) Assessment Solution
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations: The Company is present in nearly 40 countries globally through its franchise network. Major markets for the Company are India, SAARC, Vietnam, Nigeria, Qatar, Saudi Arabia and Kenya.
  - (b) Number of National Locations: The Company operates from 1 Head Office and 9 Regional Offices in 9 cities across its group companies within India. It has a total of close to 636 active learning centres, including 4 premises with company owned centres, operating in most of the states of India.
10. Markets served by the Company – Global

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): Rs. 40,25,53,040/-
2. Total Turnover (INR): Rs. 22,226.14 Lakhs (Consolidated)
3. Total profit after taxes (INR): Rs. 1,350.61 Lakhs (Consolidated)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :2.07% of Average Net Profit of last three financial years
5. List of activities in which expenditure in 4 above has been incurred: - Education

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?:
  - Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
  - Yes. MEL Training & Assessments Limited
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?
  - No.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 07565631

2. Name: Anil Pant

3. Designation: Managing Director & CEO

(b) Details of the BR head: Not Applicable

### 2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	N	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y		Y	Y	Y
3	Does the policy conform to any national / international standards? *	Y	Y	Y	Y	Y		Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Directors? **	Y	N	Y	Y	Y		Y	Y	N
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? ***	Y	N	Y	Y	Y		Y	Y	N
6	Indicate the link for the policy to be viewed online? ****									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y		Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y		Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y		Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y		Y	Y	Y

\*The Whistle Blower Policy, Code of Conduct, Prevention of Sexual Harassment Policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India.

\*\*Where applicable

\*\*\*The Whistle Blower Policy and Code of Conduct are overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the Corporate Social Responsibility Committee of the Board of Directors of the Company. Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committee (ICC) constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Prevention of Sexual Harassment Policy is being redressed by the respective committees which oversee them.

\*\*\*\*Weblink of policies below

<b>Principle</b>	<b>Applicable policy</b>	<b>Weblink for policy</b>
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Vigil Mechanism/ Whistle Blower Policy Code of Conduct	<a href="http://www.aptech-worldwide.com">www.aptech-worldwide.com</a>
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Content Development Lifecycle – process documentation Manuals for Learning Center Operations Standard Operating Procedures for Center-based and Internet-based Exams	Internal Intellectual Property
Principle 3: Businesses should promote the wellbeing of all employees	Code of Conduct Prevention of Sexual Harassment Policy	<a href="http://www.aptech-worldwide.com">www.aptech-worldwide.com</a>
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	Corporate Social Responsibility Policy	<a href="http://www.aptech-worldwide.com">www.aptech-worldwide.com</a>
Principle 5: Businesses should respect and promote human rights.	Code of Conduct	<a href="http://www.aptech-worldwide.com">www.aptech-worldwide.com</a>
Principle 6: Businesses should respect, protect and make efforts to restore the environment	-	-
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Conduct Vigil Mechanism/ Whistle Blower Policy	<a href="http://www.aptech-worldwide.com">www.aptech-worldwide.com</a>
Principle 8: Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy	<a href="http://www.aptech-worldwide.com">www.aptech-worldwide.com</a>
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Manuals for Learning Center Operations Customer Care – process documentation	Internal Intellectual Property

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:  
(Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles						✓			
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)						Note			

\* Note: The Company is not in a resource or energy intensive industry.

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Since BR Report is applicable to the Company from 31-3-2020, the management will regularly monitor the BR initiatives.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company will publish the BR Report in its Annual Report and upload on its website

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- Policy/s related to ethics, bribery and corruption and their coverage
- Stakeholder complaints related to ethics, bribery, and corruption during the past financial year

The policies relevant to this Principle, viz. the Code of Conduct and the Vigil Mechanism/ Whistle Blower Policy, cover the Company, its subsidiaries and all permanent and on-contract employees of the Company and its subsidiaries. Zero stakeholder complaints were received in the past financial year related to ethics, bribery, and corruption.

## **Principle 2: SAFETY AND SUSTAINABILITY**

- Products or services whose design incorporates social or environmental concerns, risks and/or opportunities.
- Procedures and extent of sustainable sourcing (including transportation)
- Steps to procure goods and services from local & small producers
- Capacity and capability development of local and small vendors
- Recycling of products and waste

The training programs offered by the Company address the key problem of unemployability among the youth of the country. Hence, by design all the courses play a role in promoting inclusive growth and hence, sustainable development. The operating guidelines for the centres incorporate provision of a safe operating environment for the students through specification of standard equipment and processes to be followed by its employees, franchise partners, and suppliers.

However, there are three examples of our services that go further in terms of promoting sustainability:

(a) **Aptech Computer Education's Smart Pro Programs for Job Skills**

While unemployment in general is a social issue, unemployment among the educated graduates, including Engineering professionals, is a specific and larger social concern. This is mainly on account of lack of job-oriented skills among Graduates and lack of industry-orientation of the under-graduate formal education. Aptech Computer Education's Smart Pro programs, which offer 3 – 15 months duration training in job-focused, specialized technology skills in the IT domain, specifically address the unemployability problem among the Graduates.

(b) **Onlinevarsity**

All the course material for Aptech training programs is delivered electronically through the Onlinevarsity platform, thus majorly saving on usage of paper and logistic costs.

(c) **Computer Aided Assessments & Testing**

The Company offers centre-based and internet-based assessment and testing services, which substantially reduce the usage of paper and resources required in conducting Pen & Pencil-based exams. These exams use the spare computing capacity available in various institutions and with the student to conduct the exams, thus reducing the resource intensity.

The services offered by the Company are not resource intensive, however, there are various elements to its sourcing strategy that help in furthering sustainability objectives from a social and environmental standpoint.

(a) The Company operates its learning centres through a Franchisee model, such that more than 99.5% of its centres are franchisee-owned and operated. The selection process of the franchisee incorporates the aspect of promoting local entrepreneurs who represent and under the local community. Hence, a large part of the business generated is shared with the franchisee and returns to the local community.

(b) The Company has invested in video conferencing facilities at all its major offices within the country and there are specific guidelines issued to restrict inter-city and international travel to unavoidable cases only.

The Company has a mechanism for recycling its waste. The Company is in the business of providing training and education services; hence the waste generated is only the office

waste which includes paper, refuse, and e-waste. The Company practices segregation of dry and wet waste as per the local municipal guidelines and works with vendors to responsibly dispose-off the e-waste or if in usable condition donates them to institutions working with under-privileged sections of the society.

**Principle 3: EMPLOYEE WELLBEING**

<b>Employee Data</b>		<b>As on 31<sup>st</sup> March, 2020</b>
1	Total number of employees	<b>Permanent: 483 Contractual: 73</b>
2	Total number of employees hired on temporary/contractual/casual basis	<b>72</b>
3	Number of permanent women employees	<b>143</b>
4	Number of permanent employees with disabilities	<b>0</b>

**Employee Association:**

The Company does not have an employee association that is recognized by the management.

Status of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year:

<b>No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>	<b>No of complaints pending as on end of the financial year</b>
1	Child labour/forced labour/involuntary labour	<b>0</b>	<b>0</b>
2	Sexual harassment	<b>0</b>	<b>0</b>
3	Discriminatory employment	<b>0</b>	<b>0</b>

Percentage of employees given safety & skill up-gradation training in the past financial year:

- (a) Permanent Employees: 23.19%
- (b) Permanent Women Employees: 20.28%
- (c) Casual/Temporary/Contractual Employees: 0%
- (d) Employees with Disabilities: 0%

**Principle 4: STAKEHOLDER WELFARE**

- Internal and external stakeholders
- Identification of the disadvantaged, vulnerable & marginalized stakeholders
- Special initiatives by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders

The Company believes in “We Change Lives” because it is in the business of developing employable and productive workforce for the industry, which not only supports economic development of the country, but also leads to prosperity for the unemployed youth. In addition to the society, including local community where it operates, the

Company has identified students, recruiters, franchise partners (and suppliers), employees, and shareholders as its stakeholders. As a guiding principle for taking up any initiative, the Company ensures that it benefits at least two of its stakeholders. The Company has a well-defined Corporate Social Responsibility Policy that focuses on concrete objectives to support the disadvantaged sections of the society mainly through Education initiatives that are aligned to the Company's larger vision, mission, and values. The Company works with established NGO partners to cater to children, youth, and aged to address various needs, and on awareness for environmental issues.

#### **Principle 5: HUMAN RIGHTS PROTECTION**

- Policy on human rights and its coverage
- Stakeholder complaints received in the past financial year and resolution

As a socially responsible organization, the Company is committed to protect and safeguard human rights. The Company has put in place a Code of Conduct and expect its stakeholders to adhere and uphold the standards contained therein. It has not received any stakeholder complaints in the past financial year related to human rights infringements.

#### **Principle 6: CONSERVATION AND RESTORATION OF ENVIRONMENT**

- Policy on environment conservation and restoration and its coverage
- Strategies/ initiatives to address global environmental issues
- Identification and assessment of potential environmental risks
- Projects related to Clean Development Mechanism
- Any other initiatives on clean technology, energy efficiency, renewable energy, etc.
- Emissions/Waste generated by the company
  - Number of pending show cause/ legal notices from CPCB/SPCB which are pending as on end of Financial Year

Currently, the Company does not have a policy that covers Principle 6 as its business is neither material intensive, nor does it have a direct deleterious effect on the environment. The nature and the size of its business is not conducive for any meaningful Clean Development Mechanism (CDM) project. However, the Company complies with the applicable CPCB/ SPCB emissions/ waste limits and zero show cause/ legal notices were received from these bodies during the reported financial year.

#### **Principle 7: POLICY ADVOCACY**

- Memberships of any trade and chamber or association
- Advocacy / Lobbying through the chambers or associations for the furthering public good

The Company is member of the following associations

- (a) Confederation of Indian Industries (CII)
- (b) Associated Chambers of Commerce & Industry (ASSOCHAM)
- (c) Federation of Indian Chambers of Commerce & Industry (FICCI)
- (d) National Association of Software and Service Companies (NASSCOM)
- (e) Bombay Chamber of Commerce & Industry (BCCI)

As a conscientious corporate citizen, the Company has participated in the collective initiatives of these bodies related to the advancement of Corporate Governance, Reforms, Sustainable and Inclusive Development, and other social issues as and when relevant.

### **Principle 8: EQUITABLE AND INCLUSIVE DEVELOPMENT**

- Specified programmes/ initiatives/ projects in pursuit of equitable and inclusive development
  - Execution model (in-house team/ own foundation/ external NGO/ government structures/ any other)
  - Impact assessment
- Company's direct contribution to community development projects (Amount in INR) and project details
- Steps to support adoption of community development initiative by the community

The Company has a Corporate Social Responsibility (CSR) Policy which derives its core values and covers various aspects as per requirements of the Companies Act, 2013. The Policy has also been developed considering the organization's vision, mission, and values. Its fundamentals are based on inputs from top management and all stakeholders. The programmes are undertaken either directly or through specialized agencies/NGOs and a structured impact assessment of all the initiatives is conducted. The Company has received a positive feedback of its efforts from the community towards education of children and youth, need of the aged, and environment protection. RS. 24.52 lakhs were spent towards CSR initiatives during the FY2019-20.

### **Principle 9: CUSTOMER ORIENTATION**

- Percentage of customer complaints pending as on the end of financial year
- Consumer cases pending as on the end of financial year
- Display of product information on the product label, over and above what is mandated as per local laws
- Stakeholder cases against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year
- Consumer survey/ Consumer satisfaction trends

As on the end of financial year, 1.02 % of customer complaints received during the year are pending to be resolved. The Company has 28 pending cases in the consumer court as of 31<sup>st</sup> March 2020. The Company is committed to providing the best learning experience to its students and fulfilling the business needs of its institutional customers to the utmost level. However, in the event of any issue, the students have access to multiple channels

to register their issues/ problems/ complaints regarding the course/ centre/ support services to the Company. These include a dedicated email address, online form, and dedicated telephone number. The Company also responds and resolves any complaints received on its social media pages. These complaints are handled based on a defined process flow and genuine complaints resolved to the satisfaction of the student. The institutional customers of the Company have access to the delivery and relationship team to register their complaints and are aware of a defined escalation matrix in case they are not satisfied with the first level response.

The Company adheres to the applicable guidelines in the Code Book of The Advertising Standards Council of India (ASCI) in its marketing communication. The Company does not have any case filed against it regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. The Company also insists that the customers fill up a customer satisfaction survey form on completion of the training program/ assessment project to register their feedback. The performance of the trainer, the learning centre, and relevance of the product are monitored, and corrective actions taken based on this feedback. The Company has not carried out any third-party survey of consumers.

## **INDEPENDENT AUDITOR’S REPORT**

**To the Members of Aptech Limited**

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

### **Opinion**

We have audited the accompanying consolidated financial statements of **Aptech Limited** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of the subsidiaries as were audited by other auditors, referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit and consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated 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 Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the “Code of Ethics” issued by The Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules

thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

Attention is invited to Note 6.3 to the consolidated financial statements, which indicates that in the absence of availability of audited financial statements of the investee in China for last about six years and other recent financial information, the investments in equity instruments held by the Group in the said investee is carried at cost as an appropriate estimate of fair value, in accordance with paragraph B5.2.3 of Appendix B on the Application Guidance to Ind AS 109 on “Financial Instruments”.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, for the year ended March 31, 2020 and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

The Key Audit Matters	How the matter was addressed in the audit
<p><b>Revenue Recognition</b></p> <p>Ind AS 115 on “Revenue from Contracts with Customers” provides a comprehensive framework for determining whether, how much and when revenue is recognised. This involves certain key judgments relating to identification of distinct performance obligations, if any, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period or at a point in time. Additionally, Ind AS 115 requires comprehensive disclosures.</p> <p>The application to Ind AS is complex and more particularly, when an entity derives its revenue from providing services. The</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of the internal controls in terms of the requirements of Ind AS 115 for the manner of recognising revenue;</li> <li>• Evaluated the accounting policy of recognising revenue;</li> <li>• Evaluated the detailed analysis performed by management on revenue streams for each segment by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> </ul>

<p>Group provides services to its customers under varied arrangements which are to be evaluated for recognition of revenue; also, establishing an appropriate year-end position requires significant judgement and estimation by management. Considering all these aspects, the revenue recognition is considered to be a key audit matter.</p> <p>[Refer Notes 2.q. and 28 to the consolidated financial statements].</p>	<ul style="list-style-type: none"> <li>• Evaluated the appropriateness and assessed the completeness of the disclosures in accordance with the requirements of Ind AS 115.</li> </ul>
<b>Allowance for Expected Credit Loss of Trade Receivables and Unbilled Revenue</b>	
<p>Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables and Unbilled Revenue as also written off, if any, thereof, require –</p> <ul style="list-style-type: none"> <li>• the appropriateness of accounting policies for determination of Allowance for ECL and the amounts to be written off as Bad Debts;</li> <li>• operational procedures and systems of internal control in estimation of ECL and Bad Debts write off;</li> <li>• estimation of expected losses and appropriate assumptions and significant judgements on the recoverability of receivables;</li> <li>• the completeness, accuracy, relevance and reliability of historical information;</li> <li>• the Group's overall review of the estimate; and</li> <li>• the clarity and reasonableness of related ECL disclosures and Bad Debts write off.</li> </ul> <p>The Group has certain litigations for services provided under contracts with its customers. The Group's estimates of expected losses also considers the use of assumptions and assessments of outcome of these litigations.</p>	<p>Our audit procedures included, among others, the following :</p> <ul style="list-style-type: none"> <li>• Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of Allowance for ECL are reasonable;</li> <li>• Objectively evaluated the estimates made in the broader context of the consolidated financial statements as a whole;</li> <li>• Based on discussions with the management of the Group, familiarised ourselves with the latter's analysis of the risks and status of each significant reported litigation;</li> <li>• Evaluated the lawyers' advice, and communication with other parties to the suits;</li> <li>• Assessed the estimates and assumptions adopted by the Group in determining the need to recognise a provision and, where applicable, its amounts and if required, the write off.</li> <li>• Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss and Bad Debts write off.</li> </ul>

<p>In view of the determination of the basis and quantum of Allowance of ECL and Bad Debts write off, it is a significant item in the consolidated financial statements and hence, considered to be a key audit matter.</p> <p>[Refer Notes 2.p.vi, 11 and 15 to the consolidated financial statements]</p>	
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### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to the subsidiaries and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from the financial statements audited by the other auditors.

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

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other

irregularities; selection and application of the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding Company and its subsidiaries incorporated in India have adequate internal financial controls with reference to financial statements 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further prescribed in section titled 'Other Matters' to this audit report.

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

We communicate with those charged with governance of the Holding Company and such other subsidiaries included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit the financial statements and the financial information of 2 (two) subsidiaries located outside India, considered in the consolidated financial statements, whose Financial Statements and financial information reflect total assets of ₹ 12,956.46 lakhs as at March 31, 2020, total revenue of ₹ NIL lakhs, and net cash outflows of ₹ NIL lakhs for the year ended as on that date, as considered in preparation of consolidated financial statements. These financial statements and financial information have been prepared by the Company's management in accordance with the Indian GAAP and the accounting principles generally accepted in India and the same have been audited by a firm of Chartered Accountants and included in the consolidated financial statements on the basis of their Fit-for-Consolidation Report. The said independent auditor's reports on the financial statements/financial information of these subsidiaries have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of such auditor.

We did not audit the financial statements and the financial information of 2 (two) subsidiaries located outside India, , whose financial statements and financial information reflect total assets of ₹ 1,767.33 lakhs as at March 31, 2020, total revenues of ₹ 1,512.55 lakhs and net cash outflows of ₹ 132.36 lakhs for the year ended as on that date, as considered in preparation of consolidated financial statements. These Financial Statements/ financial information have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by other auditors. The Holding Company's management has converted these financial statements/ financial information of such subsidiaries to the Indian GAAP and the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of such auditors and our audit of the conversion adjustments made.

We did not audit the financial statements and the financial information of 1 (one) subsidiary located outside India, whose financial statements and financial information reflect total assets of ₹ 0.10 lakhs as at March 31, 2020, total revenues of ₹ NIL and net cash outflows of ₹ NIL for the year ended as on that date, as considered in preparation of consolidated financial statements. These unaudited financial statements/financial information are certified by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiary, is based solely on such financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary incorporated in India as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company and its subsidiary incorporated in India, are disqualified as on March 31, 2020 from being appointed as a director of the respective company in terms of Section 164 (2) of the Act;
- f. With respect to the internal financial controls with reference to financial statements of the Holding Company and its subsidiary incorporated in India, and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- g. With respect to the matters to be included in the Auditor’s Report in accordance with requirement of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act and is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us. Subsidiaries incorporated in India have not paid any remuneration to its directors.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as reported by the auditors of the subsidiaries referred to in the Other Matters paragraph above:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 41 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, as required under the applicable law or accounting standards;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

**PLACE** : Mumbai  
**DATE** : May 25, 2020

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
UDIN : 20036148AAAABB5147

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Consolidated Financial Statements for the year ended March 31, 2020.

### **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of **Aptech Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries incorporated in India (the Holding Company and its subsidiary incorporated in India together referred to as "the Covered Entities"), as at March 31, 2020.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Covered Entities based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Covered Entities.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Covered Entities have, in all material respects, internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No.100991W

**PLACE** : Mumbai  
**DATE** : May 25, 2020

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
UDIN : 20036148AAAABB5147

**Aptech Limited - Consolidated Financial Statements**  
**Balance Sheet as at March 31, 2020**

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4a	1,250.44	1,420.57
Right-of-Use Assets	4b	503.66	-
Goodwill and Other Intangible Assets	5a	1,187.32	1,393.57
Intangible Assets under Development	5b	94.40	171.24
<b>Financial Assets</b>			
Investments	6	13,153.83	13,220.17
Loans	7	113.85	122.90
Other Financial Assets	8	154.47	102.04
Deferred Tax Assets (Net)	35	1,856.15	1,850.84
Other Non-current Assets	9	1,294.79	865.50
<b>Total Non-current Assets</b>		<b>19,608.91</b>	<b>19,146.83</b>
<b>Current Assets</b>			
Inventories	10	192.57	168.84
<b>Financial Assets</b>			
Trade Receivables	11	7,382.26	6,911.49
Cash and Cash Equivalents	12	465.88	1,051.47
Bank Balances other than cash and cash equivalents	13	782.37	3,096.72
Loans	14	455.44	435.70
Other Financial Assets	15	4,313.94	1,499.88
Other Current Assets	16	943.96	732.47
<b>Total Current Assets</b>		<b>14,536.42</b>	<b>13,896.57</b>
<b>TOTAL ASSETS</b>		<b>34,145.33</b>	<b>33,043.40</b>
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	4,025.46	3,989.36
Other Equity	18	21,912.55	23,887.01
<b>Total Equity</b>		<b>25,938.01</b>	<b>27,876.37</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liabilities	19	154.20	-
Provisions	20	243.11	225.70
<b>Total Non-current Liabilities</b>		<b>397.31</b>	<b>225.70</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	22	2,257.83	-
Trade Payables	23	1,691.04	1,855.03
Lease Liabilities	24	367.43	-
Other Financial Liabilities	25	2,075.14	1,985.54
Provisions	26	42.95	40.59
Other Current Liabilities	27	1,375.62	1,060.17
<b>Total Current Liabilities</b>		<b>7,810.01</b>	<b>4,941.33</b>
<b>Total Liabilities</b>		<b>8,207.32</b>	<b>5,167.03</b>
<b>TOTAL EQUITY and LIABILITIES</b>		<b>34,145.33</b>	<b>33,043.40</b>

Notes (Including Significant Accounting Policies) Forming Part of the Consolidated Financial Statements **1-46**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGARWAL**  
Director  
DIN : 00515412

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

**Aptech Limited - Consolidated Financial Statements**  
**Statement of Profit and Loss for the year ended March 31, 2020**

(₹ in Lakhs other than EPS)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From Operations	28	21,682.32	20,855.15
Other Income	29	543.82	416.73
<b>Total Income</b>		<b>22,226.14</b>	<b>21,271.88</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade		367.85	415.75
Changes in Inventories of Stock-in-Trade	30	(23.74)	(95.88)
Employee Benefits Expense	31	5,807.50	6,322.70
Share Based Payment to Employees	32	507.08	(306.04)
Finance Costs	33	114.33	9.35
Depreciation and Amortisation Expense	4 & 5	1,322.24	1,074.70
Other Expenses	34	12,413.01	11,610.92
<b>Total Expenses</b>		<b>20,508.27</b>	<b>19,031.50</b>
<b>Profit/(Loss) Before Tax</b>		<b>1,717.87</b>	<b>2,240.38</b>
<b>Tax Expense</b>			
Current Tax	35	448.88	545.30
Deferred Tax	35	(81.62)	(127.03)
<b>Total Tax Expense</b>		<b>367.26</b>	<b>418.27</b>
<b>Profit/ (Loss) for the year</b>		<b>1,350.61</b>	<b>1,822.11</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
i. Gain/ (Loss) on Remeasurement of Defined Benefit Plan		(113.81)	(49.39)
ii. Gain/ (Loss) on Fair Valuation on Equity Instruments		(59.31)	159.06
iii. Income Tax on above		1.91	11.17
<b>Other Comprehensive Income for the year (Net of tax)</b>		<b>(171.21)</b>	<b>120.84</b>
<b>Total Comprehensive Income for the year</b>		<b>1,179.40</b>	<b>1,942.95</b>
<b>Earnings Per Equity Share of ₹ 10 par value :</b>			
Basic ( ₹ per share)	44	3.38	4.57
Diluted ( ₹ per share)	44	3.31	4.45

Notes (Including Significant Accounting Policies) Forming Part of the Consolidated Financial Statements **1-46**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGARWAL**  
Director  
DIN : 00515412

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

**Aptech Limited - Consolidated Financial Statements**  
**Statement of Changes in Equity for the Year ended March 31, 2020**

**A. Equity Share Capital**

Particulars	Notes	No. of shares	₹ in Lakhs
Balance as at April 1, 2018		3,98,93,560	3,989.36
Changes in Equity Share Capital	17	-	-
Balance as at March 31, 2019		3,98,93,560	3,989.36
Shares issued during the year on exercise of Employee Stock Options	17	3,60,994	36.10
Balance as at March 31, 2020		4,02,54,554	4,025.46

**B. Other Equity**

(₹ in Lakhs)

Particulars	Share Application Money pending Allotment	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Total Other Equity
		Capital Redemption Reserve	Securities Premium Account	Share Options Outstanding Account	General Reserves	Retained Earnings		
Balance as at April 1, 2018	-	1,774.59	8,977.20	1,807.89	624.98	10,787.43	(38.66)	23,933.43
Profit/(Loss) for the Year	-	-	-	-	-	1,822.11	-	1,822.11
Share Based Payments to Employees	-	-	-	(306.04)	-	-	-	(306.04)
Gain/(Loss) on Fair Valuation of Equity Instruments	-	-	-	-	-	-	159.06	159.06
Other Comprehensive Income for the year (Net of Income Tax)	-	-	-	-	-	(38.22)	-	(38.22)
Gain/(Loss) on remeasurement of Defined Benefit Plan	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	(1,396.27)	-	(1,396.27)
Corporate Tax on Interim Dividend	-	-	-	-	-	(287.06)	-	(287.06)
<b>Total Comprehensive Income for the Year</b>	-	-	-	(306.04)	-	100.56	159.06	(46.42)
Balance as at March 31, 2019	-	1,774.59	8,977.20	1,501.85	624.98	10,887.99	120.40	23,887.01
Profit/(Loss) for the Year	-	-	-	-	-	1,350.61	-	1,350.61
Premium received on exercise of Employee Stock Options	-	-	602.36	-	-	-	-	602.36
Share Application Money received on exercise of Employee Stock Options, pending allotment	0.50	-	-	-	-	-	-	0.50
Share Based Payments to Employees	-	-	-	507.08	-	-	-	507.08
Exercise of Employee Stock Options	-	-	-	(396.60)	-	-	-	(396.60)
Gain/(Loss) on Fair Valuation of Equity Instruments	-	-	-	-	-	-	(59.31)	(59.31)
Other Comprehensive Income for the year (Net of Income Tax)	-	-	-	-	-	(111.90)	-	(111.90)
Gain/(Loss) on remeasurement of Defined Benefit Plan	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	(3,207.74)	-	(3,207.74)
Corporate Tax on Interim Dividend	-	-	-	-	-	(659.46)	-	(659.46)
<b>Total Comprehensive Income for the Year</b>	0.50	-	602.36	110.48	-	(2,628.49)	(59.31)	(1,974.46)
Balance as at March 31, 2020	0.50	1,774.59	9,579.56	1,612.33	624.98	8,259.50	61.09	21,912.55

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**VIJAY AGGARWAL**  
Director  
DIN : 00515412

**KETAN SHAH**  
Company Secretary

**Aptech Limited - Consolidated Financial Statements**  
**Statement of Cash Flows for the Year Ended March 31, 2020**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>1,717.87</b>	<b>2,240.38</b>
<b>Adjustments for:</b>		
Share Based Payment to Employees	507.08	(306.04)
Depreciation and Amortisation Expense	1,322.24	1,074.70
Allowances for Expected Credit Loss (Net)	1,220.72	1,300.50
Bad debts written off	415.09	7.84
Dividend Income	(143.21)	(143.30)
Finance Costs	114.33	9.35
Interest Income	(291.78)	(169.66)
Excess Provisions written back	(57.62)	(73.21)
Unrealised Loss/(Gain) on Exchange Fluctuation (Net)	53.04	12.71
Profit on sale of Property, Plant and Equipment (Net)	-	(4.24)
	<b>3,139.89</b>	<b>1,708.64</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>4,857.76</b>	<b>3,949.02</b>
<b>Changes in Working Capital</b>		
Decrease/(Increase) in Inventories	(23.73)	(95.88)
Decrease/(Increase) in Trade Receivables and Unbilled Revenue	(1,856.28)	(2,946.64)
Decrease/(Increase) in Loans	(10.69)	65.66
Decrease/(Increase) in Other Non-current Assets	75.27	126.20
Decrease/(Increase) in Other Financial Assets	(3,117.40)	575.31
Decrease/(Increase) in Other Current Assets	(211.49)	(159.76)
Increase/(Decrease) in Non-current Liabilities and Provisions	(96.40)	(51.06)
Increase/(Decrease) in Trade Payables	(106.37)	290.84
Increase/(Decrease) in Other Financial Liabilities	73.99	404.99
Increase/(Decrease) in Other Current Liabilities	315.45	91.81
	<b>(4,957.65)</b>	<b>(1,698.53)</b>
<b>Cash generated from / (used in) Operations</b>	<b>(99.89)</b>	<b>2,250.49</b>
Net Income Tax (Paid)	(875.25)	(859.41)
<b>Net Cash generated from/ (used in) Operating Activities</b>	<b>(975.14)</b>	<b>1,391.08</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(593.62)	(1,013.81)
Proceeds from Sale of Property, Plant and Equipment	41.67	43.67
Sale of Investments	-	750.79
Dividend received	150.00	150.15
Interest Income	291.78	169.66
Proceeds from/(Investment) in Bank Deposits (maturity more than three months)	2,261.92	(76.96)
<b>Net Cash generated from/ (used in) Investing Activities</b>	<b>2,151.75</b>	<b>23.51</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of Employees stock option	241.87	-
Proceeds from share application money pending allotment	0.50	-
Proceeds/(Repayment) of Bank borrowings	2,257.83	-
Repayment of Principal portion of lease liabilities	(280.87)	-
Repayment of Interest portion of lease liabilities	(50.78)	-
Dividend paid (Including Dividend Distribution Tax)	(3,867.20)	(1,683.33)
Finance Costs	(63.55)	(9.35)
<b>Net Cash generated from/ (used in) Financing Activities</b>	<b>(1,762.20)</b>	<b>(1,692.68)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(585.59)</b>	<b>(278.09)</b>
Cash and Cash Equivalents at the beginning of the year	1,051.47	1,329.56
Cash and Cash Equivalents at the end of the year (Refer note 12)	465.88	1,051.47
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(585.59)</b>	<b>(278.09)</b>

**Aptech Limited - Consolidated Financial Statements**

i. Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

ii. **Disclosure Pursuant to Ind AS 7 :**

Ind AS 7 requires the entities to provide disclosures that enable user of financial statements to evaluate changes in liabilities and financial assets arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial Assets arising from financing activities, to meet the disclosure requirement .

(₹ in Lakhs)				
For the year ended March 31,2020	Opening balance	Cash Flows	Non Cash Changes	Closing Balance
Short term Borrowings	-	2,257.83	-	2,257.83

iii. Cash and cash equivalents included in the Statement of cash flows comprise the following :

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents disclosed under Current Financial Assets	465.88	1051.47
<b>Total Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>465.88</b>	<b>1051.47</b>

iv. Purchase of Property, Plant and Equipment included addition to Other Intangible Assets and adjusted for movement in Intangible Assets under development.

v. Figures in bracket indicate Cash Outflow.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGARWAL**  
Director  
DIN : 00515412

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

## 1. Corporate Information

Aptech Limited (“The Company”) is a public limited company incorporated and domiciled in India and has its registered office at Mumbai. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Aptech Limited and its subsidiaries (“the Group”) are primarily engaged business of education training and assessment solution services. It is a global learning solutions company that commenced its Education and Training business for the last over three decades.

The financial statements for the year ended March 31, 2020 are approved for issue by the Board of Directors of the Company on May 21, 2020.

## 2. Significant Accounting Policies

### a. Basis of Preparation

These financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the ‘Act’) and other relevant provisions of the Act.

These Financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities that is measured at fair value;
- Net Defined benefit (asset)/liability – fair value of plan assets less present value of defined benefit obligations;
- Share based payments – at fair value

These financial statements are presented in Indian Rupees (INR), which is also the Group’s functional currency and all amounts are rounded off to the nearest lakhs (INR ‘00,000) up to two decimals, except when otherwise indicated.

### b. Basis of Consolidation

#### i. Subsidiaries

The Parent Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation.

#### ii. Non-controlling interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Parent Company’s equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest’s proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest’s share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

### c. **Property, Plant and Equipment (PPE)**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of item can be measured reliably. The carrying amount of any component accounted for as separate asset is recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Freehold land is carried at historical cost less impairment loss, if any.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

#### **Capital Work-in-progress**

Property, plant and equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### **Depreciation method, Estimated useful lives and residual value**

Depreciation on Property, Plant and Equipment is provided over their estimated useful lives on a straight line basis from the date the same are ready for intended use. Useful life of PPE is in accordance with that prescribed in Schedule II, except in respect of the following items of PPE which is based on technical evaluation:

- i. Certain items of plant and machinery (including computers) installed at and used in projects and certain training centers which are depreciated over the number of years till the completion of the period of the contract when the assets are transferred to those parties.
- ii. Depreciation on PPE is provided at the following rates based on estimated useful life as per the Act,

Office Premises	60 years
Furniture and Fixtures	5 years
Computers Hardware	3 years
Office Equipment	5 years
Electrical Equipments	10 years
- iii. Depreciation on Furniture and Fixtures which are installed at leasehold premises is provided over lease period. On other Furniture and Fixtures, the estimated useful life is considered to be that of 5 years.

- iv. Depreciation on PPE added/ disposed off during the year is provided on *pro-rata* basis with reference to the date of addition/disposal.
- v. Items of PPE which has cost of ₹ 5,000 or less are depreciated fully in the year of purchase/capitalisation.
- vi. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, while the effect of any change in estimate is accounted for on a prospective basis.

#### **d. Goodwill and Other Intangible Assets**

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow to the Group and the cost of the item can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Directly attributable costs, that are capitalised as part of the software include employee costs and an appropriate portion of relevant expenses.

##### **Amortisation**

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use, as under:

Computer Software and Contents with a finite useful life using the straight-line method over the 3 years from the date they are available for use or based on its consumption pattern, as applicable.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, while the effect of any change in estimate being accounted for on a prospective basis.

Goodwill arising on acquisition of business unit is amortised over a period of ten years.

#### **e. Impairment of Non-financial Assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the 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 for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

#### **f. Inventories**

Inventories consist of educational course materials valued at the lower of cost or net realisable value. Costs of such materials are determined on Weighted Average basis.

#### **g. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with the bank and other short term highly liquid investments, which are readily convertible into cash and which are subject to an insignificant risk of change in value and have original maturities of three months or less.

#### **h. Costs and Expenses**

Costs and expenses are recognised when incurred and are classified according to their nature.

#### **i. Employee Share based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

#### **j. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, 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.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A Contingent Asset is not recognised, but disclosed in the financial statements when an inflow of economic benefits is probable.

## **k. Employee Benefits**

### **Short-term and Other Long-term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for benefits accruing to employees in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

#### **i. Defined Contribution Plan**

The Group's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### **ii. Defined Benefit plan**

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Group. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Re-measurement, comprising actuarial gains and losses, are recognised in full in the Other Comprehensive Income for the period in which they occur. Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit and Loss. Past service cost both vested and non-vested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

### **Compensated Absences**

The Group provides for the encashment of absence or absence with pay based on policy of the Group in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

## **l. Income Tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

## **i. Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profits differ from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the current tax liabilities and assets on a net or simultaneous basis.

## **ii. Deferred income taxes**

### **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax liabilities and assets on a net or simultaneous basis.

### **Current and Deferred Tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in

which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

#### **m. Earnings per Share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

#### **n. Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items, if any, that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **o. Statement of Cash Flows**

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

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

#### **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. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

##### **i. Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

##### **ii. Classification and Subsequent Measurement : Financial Assets**

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

#### **a. Amortised Cost**

A financial asset shall be classified and measured at amortised cost (based on Effective Interest Rate method), if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and bank balances, trade receivables, loans and other financial assets of the Group are covered under this category.

#### **b. Fair Value through Other Comprehensive Income**

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial assets that are measured at FVOCI, income by way of interest and dividend is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of equity instruments measured at FVOCI, the cumulative gain or loss previously accumulated in other equity is not reclassified to profit or loss on disposal of investments.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading through FVOCI.

#### **c. Fair Value through Profit or Loss**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **iii. Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'Other Financial Liabilities'.

#### **a. Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

## **b. Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## **iv. Offsetting**

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## **v. Financial liabilities and equity instruments**

- Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received net off direct issue cost.

## **vi. Impairment of Financial Assets**

The Group recognises loss allowance using expected credit loss model for financial assets which are measured at amortised cost and FVOCI debt instruments, if any. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade Receivables, the Group measures loss allowance at an amount equal to expected credit losses. The Group computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

## **vii. Derecognition of Financial Assets**

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### **viii. Derecognition of Financial Liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

#### **q. Revenue Recognition**

The Group derives revenue primarily from providing training in Information Technology, Media and Entertainment, Beauty and grooming, Aviation, Hospitality and Travel /Tourism. The Group offers training mainly through the Franchisee model and Corporate Training under the head "Training and Education Services". The Group also earns revenue from providing Testing and Assessment Solution Services to private and public sector undertakings, government departments and educational institutions under its Institutional Segment ("Assessment Solution Services"). The main product offered by this division is Computer Aided Assessments, Digital Evaluation tool for paper-based exams, Pen and Paper Assessments and Document Digitalisation tool as separate products.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

Revenue related to fixed time frame services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised as the related services are performed, that is on completion of the performance obligation. Revenue in respect of sale of Education course materials is recognised on delivery of the course materials to the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenues in excess of invoicing are classified as contract assets (which we refer to as "Unbilled Revenue") while invoicing in excess of revenues are classified as contract liabilities (which we refer to as "Unearned Revenue").

The contract liabilities primarily relate to advance considerations received from customers for whom revenue is recognized as the related services are performed, that is on completion of performance obligation.

Advance collections are recognised when payment is received before the related performance obligation is satisfied. This includes advance received from the customer towards events fees, course-ware fees, etc. Revenue is recognised as the related services are performed, that is on completion of performance obligation.

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

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

The Group disaggregates revenue from contracts with customers by nature of services, customers and geography.

#### **i. Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

#### **ii. Dividends**

Dividend income from investments is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend except in case of interim Dividend.

#### **iii. Franchisee fees**

Net Franchisee fees income is recognised as operating income on an accrual basis in accordance with the substance of the relevant agreements with the franchisees as licensing-out technologies / Patent /Trade mark uses /expertise's is part of the ordinary and recurring activities of a business.

Income that relates to the sale or out-licensing of technologies or technological expertise is recognised in profit or loss as of the effective date of the respective agreement if all rights relating to the technological knowhow / Expertise's and all obligations resulting from them have been transferred under the contract terms. However, if rights to the technologies / expertise's continue to exist or obligations resulting from them have yet to be fulfilled, the revenue is deferred, accordingly.

#### **iv. Government Grants**

Government grants are recognised at their fair value if there is reasonable assurance that the grant will be received and all related conditions will be complied with. Cost grants are recognised as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. If the grant is an investment grant, its fair value is initially recognised as deferred income in Other non-current liabilities and then released to profit or loss over the expected useful life of the relevant asset.

#### **r. Leases**

##### **As a Lessee**

The Group's leased assets consist of leases for buildings and computers. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has the right to obtain

substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

### **As a Lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income as per the terms of the lease as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.  
(Refer Note 43 for Impact of transition and disclosures pursuant to Ind AS 116.)

#### **s. Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

##### **Identification of Segments**

The Group has reported Segment Information as per Ind AS 108. The Group has identified Operating Segments taking into account the services of Business Function, the differing risks and returns, the organisational structure and the internal reporting system.

#### **t. Business Combination**

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method in accordance with Appendix C to Indian Accounting Standard 103 on "Business Combinations of entities under common control". Under this method, the assets and liabilities of the combining entities of the Group are recognised at their carrying amounts and the only adjustments that are made are to harmonise their accounting policies; the balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or alternatively, it is transferred to General Reserve, if any. The identity of the reserves is preserved and they appear in the financial statements of the transferor entity in the same form in which they appeared in the financial statements of the transferee entity.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

#### **u. Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **i. Key estimates, assumptions and judgments**

The key assumptions concerning the future and other major 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:

#### **ii. Income taxes**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 35.

#### **iii. Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

#### **iv. Lease**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### **v. Employee Benefit Plans**

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligation is determined based on actuarial valuations. 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, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **vi. Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **vii. Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **viii. Impairment of Assets**

The Group has used certain judgments and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to assess impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

#### **ix. Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### **3. Recent Indian Accounting Standards (Ind AS):**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**Aptech Limited - Consolidated Financial Statements**  
**4a. Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Fittings	Total
<b>Gross Carrying Amount</b>									
<b>Balance as at April 1, 2018</b>	<b>1.86</b>	<b>867.27</b>	<b>0.56</b>	<b>542.09</b>	<b>481.47</b>	<b>152.87</b>	<b>118.46</b>	<b>107.50</b>	<b>2,272.08</b>
Additions	-	-	-	106.07	28.73	67.83	11.77	-	214.40
Disposals	-	-	-	(124.03)	-	-	(0.32)	(0.43)	(124.78)
<b>Balance as at March 31, 2019</b>	<b>1.86</b>	<b>867.27</b>	<b>0.56</b>	<b>524.13</b>	<b>510.20</b>	<b>220.70</b>	<b>129.91</b>	<b>107.07</b>	<b>2,361.70</b>
Additions	-	-	-	100.47	0.74	-	37.23	0.33	138.77
Disposals	-	-	-	(47.48)	(25.41)	(30.09)	(26.62)	(1.10)	(130.70)
<b>Balance as at March 31, 2020</b>	<b>1.86</b>	<b>867.27</b>	<b>0.56</b>	<b>577.12</b>	<b>485.53</b>	<b>190.61</b>	<b>140.52</b>	<b>106.30</b>	<b>2,369.77</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at April 1, 2018</b>	-	<b>32.52</b>	<b>0.56</b>	<b>291.03</b>	<b>232.29</b>	<b>33.53</b>	<b>55.57</b>	<b>37.61</b>	<b>683.11</b>
Depreciation charge for the Year	-	23.60	-	156.12	105.11	22.16	23.62	12.56	343.17
Disposals	-	-	-	(84.69)	-	-	(0.23)	(0.23)	(85.15)
<b>Balance as at March 31, 2019</b>	-	<b>56.12</b>	<b>0.56</b>	<b>362.46</b>	<b>337.40</b>	<b>55.69</b>	<b>78.96</b>	<b>49.94</b>	<b>941.13</b>
Depreciation charge for the Year	-	23.65	-	122.78	84.04	26.59	26.86	11.71	295.63
Disposals	-	-	-	(46.44)	(25.41)	(18.52)	(25.96)	(1.10)	(117.43)
<b>Balance as at March 31, 2020</b>	-	<b>79.77</b>	<b>0.56</b>	<b>438.80</b>	<b>396.03</b>	<b>63.76</b>	<b>79.86</b>	<b>60.55</b>	<b>1,119.33</b>
Net Carrying Amount as at March 31, 2019	1.86	811.15	-	161.67	172.80	165.01	50.95	57.13	1,420.57
<b>Net Carrying Amount as at March 31, 2020</b>	<b>1.86</b>	<b>787.50</b>	-	<b>138.32</b>	<b>89.50</b>	<b>126.85</b>	<b>60.66</b>	<b>45.75</b>	<b>1,250.44</b>

**Aptech Limited - Consolidated Financial Statements**

**4b. Right-of-Use Assets**

(₹ in Lakhs)

<b>Particulars</b>	<b>Building</b>	<b>Computers</b>	<b>Total</b>
<b>Gross Carrying Amount</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
On Transition to Ind AS 116	152.82	299.10	451.92
Additions	350.58		350.58
Disposals	-		
<b>Balance as at March 31, 2020</b>	<b>503.40</b>	<b>299.10</b>	<b>802.50</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Depreciation charge for the Year	179.20	119.64	298.84
Disposals			
<b>Balance as at March 31, 2020</b>	<b>179.20</b>	<b>119.64</b>	<b>298.84</b>
<b>Net Carrying Amount as at March 31, 2020</b>	<b>324.20</b>	<b>179.46</b>	<b>503.66</b>

**Aptech Limited - Consolidated Financial Statements**

**5a. Goodwill and Other Intangible Assets**

(₹ in Lakhs)

<b>Particulars</b>	<b>Goodwill</b>	<b>Computer Software</b>	<b>Contents</b>	<b>Total</b>
<b>Gross Carrying Amount</b>				
<b>Balance as at April 1, 2018</b>	<b>3.04</b>	<b>786.62</b>	<b>1,904.88</b>	<b>2,694.54</b>
Addition	-	483.53	407.26	890.79
<b>Balance as at March 31, 2019</b>	<b>3.04</b>	<b>1,270.15</b>	<b>2,312.14</b>	<b>3,585.33</b>
Addition	-	79.11	473.75	552.86
Disposals	-	(112.99)	(0.28)	(113.27)
<b>Balance as at March 31, 2020</b>	<b>3.04</b>	<b>1,236.27</b>	<b>2,785.61</b>	<b>4,024.92</b>
<b>Accumulated Amortisation</b>				
<b>Balance as at April 1, 2018</b>	<b>3.04</b>	<b>368.72</b>	<b>1,088.47</b>	<b>1,460.23</b>
Amortisation charge for the Year	-	256.26	475.27	731.53
<b>Balance as at March 31, 2019</b>	<b>3.04</b>	<b>624.98</b>	<b>1,563.74</b>	<b>2,191.76</b>
Amortisation charge for the Year	-	296.59	431.18	727.77
Disposals	-	(81.65)	(0.28)	(81.93)
<b>Balance as at March 31, 2020</b>	<b>3.04</b>	<b>839.92</b>	<b>1,994.64</b>	<b>2,837.60</b>
Net Carrying Amount as at March 31, 2019	-	645.17	748.40	1,393.57
<b>Net Carrying Amount as at March 31, 2020</b>	<b>-</b>	<b>396.35</b>	<b>790.97</b>	<b>1,187.32</b>

**5b. Intangible Assets under Development**

(₹ in Lakhs)

<b>Particulars</b>	<b>Intangible assets under Development</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
<b>Balance as at April 1, 2018</b>	262.66	262.66
Additions	315.84	315.84
Transfer	(407.26)	(407.26)
<b>Balance as at March 31, 2019</b>	<b>171.24</b>	<b>171.24</b>
Additions	396.91	396.91
Transfer	(473.75)	(473.75)
<b>Balance as at March 31, 2020</b>	<b>94.40</b>	<b>94.40</b>
<b>Accumulated Amortisation</b>		
<b>Balance as at April 1, 2018</b>	-	-
Amortisation charge for the Year	-	-
<b>Balance as at March 31, 2019</b>	-	-
Amortisation charge for the Year	-	-
<b>Balance as at March 31, 2020</b>	-	-
Net Carrying Amount as at March 31, 2019	171.24	171.24
<b>Net Carrying Amount as at March 31, 2020</b>	<b>94.40</b>	<b>94.40</b>

5.1 Contents held by the Group are developed by Professional Subject Matter Experts, directly or indirectly. The Contents used by the Group has entity-specific value. The Contents are protected by legal rights or by a legal duty on employees to maintain confidentiality.

Aptech Limited - Consolidated Financial Statements

**6. Investments : Non-current**

Particulars	Face Value of share	As at March 31, 2020		As at March 31, 2019
		No. of shares	₹ in Lakhs	₹ in Lakhs
<b>A. Investments at Cost</b>				
<b>Unquoted</b>				
<b>Investments in Equity Instruments</b>				
<b>Associate</b>				
Aptech Philippines Inc, Philippines	1 Peso	34,20,800	0.67	0.67
<b>Sub-total (A)</b>			<b>0.67</b>	<b>0.67</b>
<b>B. Investments at Amortised Cost</b>				
<b>Unquoted</b>				
<b>Investments in Preference Shares</b>				
Tata Capital Preference Shares (Refer Note 6.1)	₹ 1000.00	2,00,000	2,011.06	2,018.01
<b>Sub-total (B)</b>			<b>2,011.06</b>	<b>2,018.01</b>
<b>C. Investments at Fair Value Through Profit and Loss (FVTPL)</b>				
<b>Investments in units Mutual Funds</b>				
<b>Unquoted</b>				
LIC Nomura MF Income Plus Fund (Refer Note 6.2)	₹ 10.38	27,171	2.82	2.65
<b>Sub-total (C)</b>			<b>2.82</b>	<b>2.65</b>
<b>D. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</b>				
<b>Unquoted</b>				
Syntea Polland JV	.20 PLN	3,50,000	326.07	385.63
Handy Training Technologies	₹ 10.00	2,500	-	-
Beijing Jadebird IT Education Company (BJBC) (Refer Note 6.3)	.000125 USD	5,56,84,931	10,813.21	10,813.21
<b>Sub-total (D)</b>			<b>11,139.28</b>	<b>11,198.84</b>
<b>Total Non-current Investments (A+B+C+D)</b>			<b>13,153.83</b>	<b>13,220.17</b>
Aggregate amount of quoted investments and market value thereof			-	-
Aggregate amount of unquoted investments			13,153.83	13,220.17
Aggregate amount of impairment in the value of investments			-	-

## **Aptech Limited - Consolidated Financial Statements**

- 6.1** Tata Capital Preference Shares are Fully Paid-up Non-Convertible Cumulative Redeemable Non-Participating Preference Shares ("CRPS"). The CRPS are redeemable after 7 years from the date of issue, i.e. July 12, 2017. The CRPS shall carry a preferential right with respect to ;
- i. Payment of dividend calculated at a fixed rate at 7.5 % p.a. on Face Value.
  - ii. Repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium.
- 6.2** The Unquoted investments are carried at Net Asset Value value.
- 6.3** The Consolidated Financial Statements (CFS) of Aptech Ventures Limited ("AVL") includes financial statements of its wholly owned and controlled subsidiary Aptech Investment Enhancers Limited ("AIEL"). AIEL has acquired 19.50% as a long-term investments and 2.91% as a short-term investments, to be offloaded on the IPO listing as per the definitive agreement signed in March 2009 in BJB Career Education Company Limited ("Investee Company" or "BJBC") in which the holding is 22.41%. Although the Group has a Board representation, considering its non participation in the financial and operational decision making process, management is of considered view that the Company has no influence in BJBC Decision making process.

In the absence of availability of its audited financial statements to its investors, for last about six years, and other recent financial informations (though appropriate petitions in jurisdictional court of Cayman Islands have been filed and favourable orders have been obtained), the fair value of investments in BJBC has not been estimated. At this stage, the investment considered at cost is, an appropriate estimate of fair value, in accordance with Annexure B on Application Guidance para B5.2.3 to Ind AS 109 on "Financial Instruments".

- 6.4** Pursuant to the Scheme of Amalgamation ('the Scheme') approved by the National Company Law Tribunal, Mumbai Bench vide its Order dated February 28, 2020 Attest Testing Services Limited, a wholly owned subsidiary company of the Holding Company, merged with Maya Entertainment Limited, another wholly owned subsidiary company of the Holding Company, with effect from April 1, 2019, being the appointed date. The certified copy of the Order sanctioning the Scheme was filed with the Registrar of the Companies of the respective companies at Mumbai, on March 4, 2020 and at Pune on March 5, 2020. As per Appendix C of Ind AS 103 - Business Combinations, the financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. Accordingly, business combination is accounted with effect from April 1, 2018.

Since the date of the Balance Sheet, the name of the merged entity is changed to 'MEL TRAINING & ASSESSMENTS LIMITED'. The Merged Company is engaged in the business of providing all types of survey, assessment & testing training services, to various clients including individuals, educational institutions, firms, corporate and other enterprises, government undertakings, organisations and to provide software, hardware and training support to various Franchisees's across Continent. The acquisition is in-line with the Group's strategy to grow the business and saving in costs of operations. There is no financial impact of Merger on consolidated financial statements of the Group.

**Aptech Limited - Consolidated Financial Statements**

**7. Loans : Non-current**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Security Deposits	89.58	96.24
Loans and Advances to Related Party (Refer Note 40)	13.93	20.33
Loans and Advances to Employees	10.34	6.33
<b>Loans Receivables which have significant increase in Credit Risk</b>	-	-
<b>Loans Receivables - Credit impaired</b>	-	-
<b>Total</b>	<b>113.85</b>	<b>122.90</b>

**8. Other Financial Assets : Non-current**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Deposits (With remaining maturity more than 12 months)	154.47	102.04
<b>Total</b>	<b>154.47</b>	<b>102.04</b>

**9. Other Non-current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	2.22	0.35
Current Tax Assets (Net) (Refer Note 9.1)	1,282.14	853.86
Prepaid Expenses	10.43	11.29
<b>Total</b>	<b>1,294.79</b>	<b>865.50</b>

## Aptech Limited - Consolidated Financial Statements

### 9.1. Current Tax Assets (Net) (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	853.86	528.57
Add : Net taxes paid during the Year	875.25	859.41
Less: Current Tax Expenses	446.97	534.12
<b>Total</b>	<b>1,282.14</b>	<b>853.86</b>

### 10. Inventories (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Education and Training Materials (Stock-in-Trade)	192.57	168.84
<b>Total</b>	<b>192.57</b>	<b>168.84</b>

10.1 The Cost of Inventories recognised as an expenses includes ₹ NIL Lakhs ( Previous year ₹ 24.00 Lakhs) in respect of write down of Inventory to net realisable value. There has been no reversal of such write down in current and previous year.

### 11. Trade Receivables (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>	-	-
<b>Considered Good</b>		
Receivables from Others	7,382.26	6,911.49
<b>Credit impaired</b>	824.79	678.14
Less: Provision for Expected Credit Loss (Refer Note 11.2)	824.79	678.14
<b>Total</b>	<b>7,382.26</b>	<b>6,911.49</b>

## Aptech Limited - Consolidated Financial Statements

**11.1** Since the Group calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents —lifetime expected credit loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the disclosure for all such Trade Receivables is made as shown above.

**11.2** In determining the allowances for credit losses of Trade Receivables (as also for Unbilled Revenue), the Group has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. The Group estimates mostly the following matrix at the reporting date.

Particulars	Ageing				
	1-90 days	91-180 days	181-365 days	365-730 days	Above 730 days
Default Rate*	1.00%	2.50%	5.00%	20.00%	27.00%

\* In case of probability of non-collection, default rate is 100%

### Movement in the Expected Credit Loss Allowance: ("ECL") : (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the Year</b>	678.14	1,113.38
Add: Allowance for Expected Credit Loss during the year	1,213.63	730.02
Less: Bad Debts Written off during the year	1,066.98	1,165.26
<b>Balance at the end of the Year</b>	<b>824.79</b>	<b>678.14</b>

## Aptech Limited - Consolidated Financial Statements

### 12. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in Hand	2.04	1.08
Balance with Banks in		
Current Accounts	214.86	633.75
EEFC Accounts	248.98	416.64
<b>Total</b>	<b>465.88</b>	<b>1,051.47</b>

### 13. Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked Balances with Banks (Unpaid Dividend)	181.13	178.16
Bank Deposits (With Original Maturity more than 3 months and within 12 months )	601.24	2,918.56
<b>Total</b>	<b>782.37</b>	<b>3,096.72</b>

- 13.1** Cash at banks earn interest at floating rates based on time deposit rates. Short-term deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The deposits maintained by the Group with banks comprises time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.
- 13.2** Bank Deposits include restricted balances of ₹ 593.93 Lakhs (Previous Year : ₹1143.64 Lakhs). The restriction are primarily on account of cash and bank balances held as margin money deposits against guarantees and overdraft facility.
- 13.3** At March 31, 2020, the Group had available ₹ Nil Lakhs (Previous Year : ₹ 420.34 Lakhs) of undrawn committed borrowing facilities.
- 13.4** There is no repatriation restriction with regard to Cash and Cash Equivalents as at the end of the current year and previous year.

**Aptech Limited - Consolidated Financial Statements**

**14. Loans : Current**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Loans and Advances to employees	72.22	69.79
Security Deposits		
Earnest Money Deposits	130.44	109.26
Other Deposits	252.78	256.65
<b>Total</b>	<b>455.44</b>	<b>435.70</b>

**14.1. Disclosure pursuant to Section 186 of the Companies Act, 2013**

(₹ in Lakhs)

Particulars	Purpose for which the loan and advances to be utilised by the recipient	As at March 31, 2020	As at March 31, 2019
<b>Key Mangerial Personnel</b>			
Mr. Anuj Kacker	Personal loan	20.02	25.84

**15. Other Financial Assets : Current**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled Revenue (Refer Note 15.1)	1,840.40	2,143.74
Less : Allowance for Expected Credit Loss		
Balance at the beginning of the Year	706.48	136.00
Allowance for Expected Credit Loss during the Year	7.09	570.48
	1,126.83	1,437.26
Interest Receivable	141.10	62.62
Bank Deposits (remaining maturity of less than 12 months ) (Refer Note 15.2)	3,046.01	-
<b>Total</b>	<b>4,313.94</b>	<b>1,499.88</b>

## Aptech Limited - Consolidated Financial Statements

**15.1** Unbilled Revenue is revenue that is yet to be invoiced for services already delivered. The budgeted effort has been expended (and therefore the revenue has been recognized) and yet, no invoice has been raised. While this could happen due to several reasons, the most common one is the customer delay in acceptance of the deliverables and in rare cases non-acceptance.

**15.2** Bank deposits (remaining maturity of less than 12 months ) as of March 31, 2020 include restricted balances of ₹ 2,746 Lakhs (Previous Year : Nil ).  
The restriction are primarily on account of cash and bank balances held as margin money deposits against guarantees and overdraft facility.

### 16. Other Current Assets

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Advance to Suppliers	138.32	83.66
Prepaid Gratuity	4.04	53.94
Prepaid Expenses	212.98	168.58
Balance with Government Authorities (Refer Note 16.1)	588.62	426.29
<b>Total</b>	<b>943.96</b>	<b>732.47</b>

**16.1** Includes Input Tax Credit of GST, Service Tax claimed in Trans 1 and VAT.

## Aptech Limited - Consolidated Financial Statements

### 17. Equity Share Capital

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Authorised Equity Share Capital</b>		
6,00,00,000 ( Previous Year : 6,00,00,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
<b>Issued, Subscribed and Paid up</b>		
4,02,54,554 (Previous Year : 3,98,93,560) Equity Shares of ₹ 10 each	4,025.46	3,989.36
<b>Total</b>	<b>4,025.46</b>	<b>3,989.36</b>

### Movements in Equity Share Capital

#### Issued, Subscribed and Paid up

Particulars	As at		As at	
	March 31,2020		March 31,2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
<b>Balance at the beginning of the year</b>	<b>3,98,93,560</b>	<b>3,989.36</b>	<b>3,98,93,560</b>	<b>3,989.36</b>
Add: Shares issued during the year on exercise of Employee Stock Options	3,60,994.00	36.10	-	-
<b>Balance at the end of the year</b>	<b>4,02,54,554</b>	<b>4,025.46</b>	<b>3,98,93,560</b>	<b>3,989.36</b>

**17.1** 22,542 Global Depository Receipts of erstwhile Aptech Limited (hereinafter "Old GDRs") (Previous Year : 22,542) representing 11,271 (Previous Year ; 11,271) underlying equity shares (2 GDR equals 1 Equity Share ) of face value ₹ 10/- each are outstanding.

**17.2** The Company has allotted 3,60,994 Equity Shares for the year ended March 31, 2020 (Previous Year : NIL) pursuant to the exercise of options under Aptech Limited - Employee Stock Option Plan 2016.

#### Terms and rights attached to equity shares

- Equity Shares have a par value of ₹ 10. Equity Shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held after distribution of all preferential amounts.
- Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.
- The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General meeting, except in case of interim dividend.

## Aptech Limited - Consolidated Financial Statements

### 17.3 Details of shareholders holding more than 5% of shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Rare Equity Private Limited	84,43,472	20.98	84,43,472	21.17
Rakesh Jhunjunwala	50,94,100	12.65	50,94,100	12.77
Rekha Jhunjunwala	45,74,740	11.36	45,74,740	11.47

### 17.4 Details of Share reserved for issue under Option Outstanding at the end of the Year

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity Shares reserved for ESOP*	7,92,398	79.24	10,53,454	105.35

\* For terms of ESOP, Refer Note 32

## 18. Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Share Application Money pending Allotment	0.50
Capital Redemption Reserve	1,774.59	1,774.59
<u>Securities Premium Account</u>		
Opening balance	8,977.20	8,977.20
Add : Premium received on exercise of Employee Stock Options	602.36	-
Closing Balance	9,579.56	8,977.20
<u>Share Options Outstanding Account</u>		
Opening balance	1,501.85	1,807.89
Add : Share-based Payments to Employees	507.08	(306.04)
Less : Employee Stock Options Exercised	396.60	-
Closing Balance	1,612.33	1,501.85
General Reserves	624.98	624.98

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	As at March 31, 2020	As at March 31, 2019
<u>Retained Earnings</u>		
Opening balance	10,887.99	10,787.43
Add : Profit/(Loss) for the year	1,350.61	1,822.11
Less : Interim Dividend	3,207.74	1,396.27
Less : Corporate Tax on Interim Dividend	659.46	287.06
Less : Other Comprehensive Income for the year (Net of Income Tax)	111.90	38.22
Closing Balance	8,259.50	10,887.99
<u>Equity Instruments through Other Comprehensive Income</u>		
Opening balance	120.40	(38.66)
Add : Current Year Provision	(59.31)	159.06
Closing Balance	61.09	120.40
<b>Total</b>	<b>21,912.55</b>	<b>23,887.01</b>

### Share Application Money pending Allotment

It represents share application money received from employees on exercise of stock options for which allotment of 750 equity shares (Previous Year : NIL ) is pending as at the year end.

### Capital Redemption Reserve

The Capital Redemption Reserve is created by transferring Nominal Value of the Owned Equity shares purchased out of Free Reserves or Securities Premium account. The Reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

### Securities Premium Account

The Securities Premium account is used to record the premium on issue of shares. The Reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

### Share Options Outstanding Account

The Share Option Outstanding Account is used to recognise the Grant date Fair Value of option issued to employees under the Aptech Limited - Employee Stock Option Plan 2016 (ESOPs). The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

## Aptech Limited - Consolidated Financial Statements

### General Reserves

The General Reserve is created from time to time on transfer of profits from Retained Earnings. General Reserve is created by transfer from one component of Equity to another and is not an item of Other Comprehensive Income, items included in General Reserve will not be reclassified subsequently to Profit and Loss.

### Retained earnings

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings.

The Board of Directors at its meeting held on March 7, 2020 have recommended and paid an Interim dividend of 45% (₹ 4.50 per Equity Share of par value ₹ 10 each) for the year ended March 31, 2020 which has resulted in a cash outflow of ₹ 2183.87 Lakhs, inclusive of Dividend Distribution tax. The Board of Directors at its meeting held on May 21, 2019 had recommended and paid an interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) for the year ended March 31, 2019 which resulted in a cash outflow of ₹ 1683.33 Lakhs, inclusive of Dividend Distribution Tax.

The Board of Directors also at its meeting held on May 30, 2018 had recommended and paid an interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) for the year ended March 31, 2018 which resulted in a cash outflow of ₹ 1683.33 Lakhs, inclusive of Dividend Distribution Tax.

### Equity Instruments through Other Comprehensive Income

As per Ind AS 109, companies have an option to designate investments in equity instruments to be measured at FVTOCI. For such instruments, the cumulative fair value gain or loss is presented as a part of Other Equity.

#### 19. Lease Liabilities : Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	154.20	-
<b>Total</b>	<b>154.20</b>	<b>-</b>

#### 20. Provisions : Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefit Obligations (Refer Note 21)		
Compensated Leave Absenses	243.11	225.70
<b>Total</b>	<b>243.11</b>	<b>225.70</b>

## Aptech Limited - Consolidated Financial Statements

### 21. Employee Benefit Obligations

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity (Funded)	-	-	-	-
Compensated Leave Absences (Unfunded)	42.95	243.11	40.59	225.70
<b>Total</b>	<b>42.95</b>	<b>243.11</b>	<b>40.59</b>	<b>225.70</b>

#### i. Leave Obligations

The leave obligations cover the Group's liability for sick and earned leave. The amount of the provision of ₹ 42.95 Lakhs (Previous Year: ₹ 40.59 Lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

In case of Foreign subsidiaries, Group doesn't have any liability at the end of the year.

#### ii. Post-Employment Obligations

##### Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately multiplied for the number of years of service as per the Scheme.

In case of Foreign subsidiaries, Group doesn't have any liability at the end of the year.

#### iii. Defined Contribution Plans

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. Amount recognised as an expense during the period towards defined contribution plan is ₹ 274.90 Lakhs (Previous Year : ₹ 290.96 Lakhs).

**Aptech Limited - Consolidated Financial Statements**

**Balance sheet amounts - Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefits obligations over the year are as follows:

Particulars	As at March 31, 2020			As at March 31, 2019		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
<b>As at April 1</b>	<b>716.74</b>	<b>(770.68)</b>	<b>(53.94)</b>	<b>679.63</b>	<b>(684.41)</b>	<b>(4.78)</b>
Interest Expense/(Income)	51.00	(56.70)	(5.70)	53.46	(53.83)	(0.37)
Current Service Cost	64.79	-	64.79	74.59	-	74.59
<b>Total Amount recognised in Profit and Loss</b>	<b>115.79</b>	<b>(56.70)</b>	<b>59.09</b>	<b>128.05</b>	<b>(53.83)</b>	<b>74.22</b>
Return on Plan Assets, excluding amounts included in interest	-	11.98	11.98	-	0.78	0.78
Remeasurements (Gain)/Loss from change in financial assumptions	5.72	-	5.72	8.72	-	8.72
Experience (gains)/Losses	96.11	-	96.11	39.89	-	39.89
<b>Total amount recognised in Other Comprehensive Income</b>	<b>101.83</b>	<b>11.98</b>	<b>113.81</b>	<b>48.61</b>	<b>0.78</b>	<b>49.39</b>
Employer Contributions	-	(123.00)	(123.00)	-	(172.80)	(172.80)
Benefit Payments	(202.59)	202.59	-	(139.55)	139.58	0.03
<b>As at March 31</b>	<b>731.77</b>	<b>(735.81)</b>	<b>(4.04)</b>	<b>716.74</b>	<b>(770.68)</b>	<b>(53.94)</b>

**iv. Category of Assets**

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Insurance Fund	735.81	770.68
<b>Total</b>	<b>735.81</b>	<b>770.68</b>

## Aptech Limited - Consolidated Financial Statements

### v. Post-Employment Benefits (Gratuity)

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.83%	7.69%
Attrition rate		
For ages 29 years and below	10.00%	10.00%
For ages 30 years to 39 years	8.00%	8.00%
For ages 40 years to 49 years	4.00%	4.00%
For ages 50 years and above	1.00%	1.00%
Salary escalation rate	5.00%	5.75%

### Sensitivity analysis

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Projected Benefits Obligation on Current Assumptions	731.77	716.74
Delta Effect of +1% Change in Rate of Discounting	(52.13)	(51.76)
Delta Effect of -1% Change in Rate of Discounting	59.61	59.01
Delta Effect of +1% Change in Rate of Salary Increase	60.12	59.58
Delta Effect of -1% Change in Rate of Salary Increase	(53.46)	(53.13)
Delta Effect of +1% Change in Rate of Employee Turnover	6.17	6.48
Delta Effect of -1% Change in Rate of Employee Turnover	(7.03)	(7.36)

### Additional Details

#### Methodology Adopted for Assured Life Mortality (ALM)

Projected Unit Credit Method

#### Usefulness and Methodology adopted for Sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count.

This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

## Aptech Limited - Consolidated Financial Statements

### vi. Maturity Analysis of Projected Benefits Obligation: From the Fund

Maturity Analysis of Projected Benefits Obligation is done considering future salary, attrition & death in respective year for members.

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at March 31, 2020</b>					
Defined Benefits obligation (Gratuity)	76.55	81.00	148.46	1,082.60	1,388.61
<b>As at March 31, 2019</b>					
Defined Benefits obligation (Gratuity)	71.10	25.88	146.99	1,255.29	1,499.26

### Risk exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

#### 1. Liability Risks

##### a. Asset-liability Mismatch Risk -

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

##### b. Discount Rate Risk -

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### c. Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 2. Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Group may default on paying the benefits in adverse circumstances, funding the plan removes volatility in Group's financials and also benefit risk through return on the funds made available for the plan.

#### Note:

The obligation of Leave Encashment is provided for on actuarial valuation by an independent valuer and the same is unfunded. The amount recognised in the Statement of Profit and Loss for the year is ₹ 61.74 Lakhs ( Previous Year : ₹ 79.36 Lakhs).

## Aptech Limited - Consolidated Financial Statements

### 22. Borrowings : Current

Particulars	Term of repayment	Coupon / interest rate	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>				
Borrowings from Banks	Payable on demand against Fixed Deposit	9.96% (variable)	2,257.83	-
	(Refer Note 13.2 and 15.2 )			
<b>Total</b>			<b>2,257.83</b>	<b>-</b>

### 23. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Outstanding Dues of Micro, Small and Medium-sized Enterprises (MSME)	-	-
Total Outstanding Dues Of Creditors Other than MSMEs (Refer Note 23.1)	1,691.04	1,855.03
<b>Total</b>	<b>1,691.04</b>	<b>1,855.03</b>

23.1 The above information has been determined to the extent such parties could be identified on the basis of information available with the Group regarding the status of suppliers under the MSME.

### 24. Lease Liabilities : Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	367.43	-
<b>Total</b>	<b>367.43</b>	<b>-</b>

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### 25. Other Financial Liabilities : Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Creditors	11.20	270.29
Liability for Expenses	1,720.64	1,383.52
Security Deposits	162.17	153.57
Unclaimed Dividends	181.13	178.16
<b>Total</b>	<b>2,075.14</b>	<b>1,985.54</b>

### 26. Provisions : Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefit Obligations (Refer Note 21)		
Compensated Leave Absences	42.95	40.59
<b>Total</b>	<b>42.95</b>	<b>40.59</b>

### 27. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Received from Customers (Refer Note 27.1)	191.85	178.84
Unearned Revenue (Refer Note 27.2)	979.12	662.65
Statutory Dues Payable	178.75	205.92
Other Liabilities	25.90	12.76
<b>Total</b>	<b>1,375.62</b>	<b>1,060.17</b>

**27.1** Advance collections are recognised when payment is received before the related performance obligation is satisfied. This includes advance received from the customer towards event fees, course-ware fees, etc. Revenue is recognised as the related services are performed, that is on completion of performance obligation. Considering the nature of business of the Group, the above contract liabilities generally materializes as revenue within the same operating cycle.

**27.2** Unearned Revenue is invoice raised in advance for services yet to be delivered. In other words, the underlying services are yet to be given.

## Aptech Limited - Consolidated Financial Statements

### 28. Revenue From Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Sales and Services	21,682.32	20,855.15

#### Total

### 28.1 Disaggregate Revenue

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue based on Services		
a. Training and Education	16,088.89	14,735.13
b. Assessment Solution	5,593.43	6,120.02
	<b>21,682.32</b>	<b>20,855.15</b>
Revenue based on type of customers		
a. Government	4,465.68	4,647.11
b. Non-Government	17,216.64	16,208.04
	<b>21,682.32</b>	<b>20,855.15</b>
Revenue based on Geography		
a. India	18,941.21	18,051.31
b. Outside India	2,741.11	2,803.84
	<b>21,682.32</b>	<b>20,855.15</b>

### 28.2 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

The Group did not have any volume discounts, service level credits, performance bonuses, price concessions, incentives, etc. and hence there is no reconciliation required.

## Aptech Limited - Consolidated Financial Statements

### 29. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
On Deposit with Banks	283.51	164.48
On Employee Loans	4.52	4.07
On Others (Tax refund)	51.22	15.95
Dividend On Financial Assets Mandatorily measured at Amortised Cost	143.21	143.30
Net gain on sale of Units of Mutual funds measured at FVTPL	-	10.37
Excess Provision Written back	57.62	73.21
Net Gain on Sale of Property, Plant and Equipment	-	4.24
Miscellaneous Income	3.74	1.11
<b>Total</b>	<b>543.82</b>	<b>416.73</b>

### 30. Changes in Inventories of Stock-in-Trade

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Opening Stock</b>		
Traded Goods	168.84	72.96
<b>Less: Closing Stock</b>		
Traded Goods	192.58	168.84
<b>Total</b>	<b>(23.74)</b>	<b>(95.88)</b>

### 31. Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Incentives and Allowances	5,286.63	5,774.25
Contribution to Provident and Other Funds	274.90	290.96
Compensated Leave Absences	61.74	79.36
Staff Welfare Expenses	136.65	109.96
Gratuity Expenses	47.58	68.17
<b>Total</b>	<b>5,807.50</b>	<b>6,322.70</b>

## Aptech Limited - Consolidated Financial Statements

31.1 Gratuity Expenses are after capitalising the sum of ₹ 11.51 Lakhs (Previous Year ₹ 6.05 Lakhs ) to Contents .

31.2 The above includes Managerial Remuneration to Managing Director ('MD') and Wholetime Director ('WTD') as disclosed hereunder ;

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Incentives and Allowances	371.32	375.92
Contribution to Provident and Other Funds	21.30	19.72
<b>Total</b>	<b>392.62</b>	<b>395.64</b>

Liabilities for gratuity and leave encashment at the end of tenure has not been considered for calculation of Managerial remuneration as per Section IV of schedule V of Companies Act, 2013.

During the Financial Year 2014-15, the Company had paid Managerial Remuneration in excess of limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 to the erstwhile Managing Director. Based on the approval received from the Central Government, the Company is recovering the excess remuneration of ₹ 73.92 Lakhs, of which ₹ 49.06 Lakhs has already been recovered.

## 32. Share-Based Payments

Employee Option Scheme :

The Members of the Company at its Annual General Meeting held on September 27, 2016 approved the Aptech Limited -Employee Stock Option Plan 2016 . The Aptech Limited -Employee Stock Option Plan 2016 is designed to provide incentives to eligible directors and employees of the Company and its subsidiaries, the details of which are given here under:

### i. Details of Option Granted and date of Option Granted :

Tranche	Grant Date	No. of Option Granted	As at	
			March 31, 2020	March 31, 2019
			Exercised during the Year	Exercised during the Year
I	27-09-2016	17,38,190	3,49,294	-
II	19-10-2016	45,405	11,700	-
III	24-01-2017	88,500	-	-
IV	24-05-2017	19,500	-	-
V	31-07-2017	15,000	-	-
VI	09-11-2017	93,366	-	-
VII	07-02-2018	66,000	-	-
VIII	26-07-2018	27,000	-	-
<b>Total No of Share Granted</b>		<b>20,92,961</b>	<b>3,60,994</b>	<b>-</b>

**Aptech Limited - Consolidated Financial Statements**

**Grant Price (per share)** 67.00

**Graded Vesting Plan**

Options granted shall vest in various tranches ie. 30% of the options granted shall vest in the third year, 30% of the options granted shall vest in the fourth year and balance 40% of the options granted shall vest in the fifth year

**Maximum Exercise Period**

7 years from the date of grant

**ii. Set out below is a summary of options granted under the plan:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Average exercise price per share option	Number of units	Average exercise price per share option	Number of units
Opening Balance	67.00	21,61,667	67.00	44,19,620
Add : Granted during the year	67.00	-	67.00	27,000
Less : Exercised during the year	67.00	3,60,994		-
Less : Lapsed during the year	67.00	68,706	67.00	22,84,953
Closing Balance	67.00	17,31,967	67.00	21,61,667
Vested and Exercisable	67.00	1,56,994	67.00	-

**iii. Share options outstanding at the end of the year have the following expiry date:**

Date of Grants	Exercise Date	Vesting Dates		
27-09-2016	26-09-2019	25-09-2020	25-09-2021	25-09-2022
19-10-2016	18-10-2019	17-10-2020	17-10-2021	17-10-2022
24-01-2017	23-01-2020	22-01-2021	22-01-2022	22-01-2023
24-05-2017	23-05-2020	22-05-2021	22-05-2022	22-05-2023
31-07-2017	30-07-2020	29-07-2021	29-07-2022	29-07-2023
09-11-2017	08-11-2020	07-11-2021	07-11-2022	07-11-2023
07-02-2018	06-02-2021	05-02-2022	05-02-2023	05-02-2024
26-07-2018	25-07-2021	24-07-2022	24-07-2023	24-07-2024

## Aptech Limited - Consolidated Financial Statements

### iv. Fair Value of Options Granted

The Fair Value of options granted during under the ESOP Scheme :

Date of Grant	Option fair valuation (in ₹)	Exercise Price (in ₹)
27-09-2016	176.55	67.00
19-10-2016	186.17	67.00
24-01-2017	202.56	67.00
24-05-2017	194.29	67.00
31-07-2017	207.94	67.00
09-11-2017	324.18	67.00
07-02-2018	262.04	67.00
26-07-2018	257.81	67.00

The fair value at grant date is determined by a valuer using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

### v. The fair value of each option is estimated on the date of grant based on the following assumptions :

Particulars	Grant Date	Volatility *	Risk Free rate	Dividend Yield	Life of the Option
Tranche - I	27-09-2016	0.43	6.95	1.22	4.5
Tranche - II	19-10-2016	0.43	6.83	1.15	4.5
Tranche - III	24-01-2017	0.45	6.60	1.05	4.5
Tranche - IV	24-05-2017	0.46	6.93	1.62	4.5
Tranche - V	31-07-2017	0.46	6.66	1.96	4.5
Tranche - VI	09-11-2017	0.47	6.84	0.94	4.5
Tranche - VII	07-02-2018	0.47	7.53	1.18	4.5
Tranche - VII	07-02-2018	0.47	7.53	1.18	4.5
Tranche - VIII	26-07-2018	0.49	8.05	1.40	4.5

\* Historical Volatility of the Equity Shares of the Company over the relevant previous 4.5 years

## Aptech Limited - Consolidated Financial Statements

### vi. Expense arising from Share-Based Payment Transactions

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
ESOP Compensation Cost (Net) *	507.08	(306.04)
<b>Total</b>	<b>507.08</b>	<b>(306.04)</b>

\* The Company granted 44,32,620 Stock options to its employees under Aptech Limited - Employee Stock Option Plan 2016 (ESOPs) to vest on fulfilling certain conditions at the end of 3rd, 4th and 5th Year from the date of grant and accordingly, has been recognising compensation expenses of such options under 'Employees Benefits Expenses' as 'Share Based payment to Employees'. During the previous financial year ended March 31, 2019, the Company estimated that 22,84,953 ESOPs would not vest and accordingly, compensation expense for the year ended March 31, 2019 results reflected reversal of ₹ 306.04 Lakhs (Net) against Share Based Payment to Employees (ESOP cost) of ₹ 507.08 Lakhs.

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense :		
On Working Capital Demand Loans Facility	61.55	8.83
On Lease Liabilities - Right-of-Use	50.78	-
On Commitment and Finance Charges	2.00	0.52
<b>Total</b>	<b>114.33</b>	<b>9.35</b>

**Aptech Limited - Consolidated Financial Statements**

**34. Other Expenses**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Education, Training Expenses and Course Materials	256.97	182.52
Course Execution Charges	4,973.84	5,453.83
Advertisement Expenses	2,658.25	1,339.79
Electricity Charges	126.27	149.91
Rental Charges (Refer Note 43)	331.07	752.34
Repairs and Maintenance		
Plant and Machinery	34.90	22.17
Buildings	4.24	9.93
Others	96.61	77.98
Travelling and Conveyance	806.80	765.62
Communication Expenses	234.99	247.83
Rates and Taxes	21.06	21.49
Insurance	20.22	18.18
Safety and Security	268.67	289.38
Legal and Professional Fees	412.74	423.93
Net Loss on Foreign Exchange Differences	76.82	8.41
Printing and Stationery	36.60	35.31
Bank Charges	24.79	29.44
Director's Commission	5.42	11.50
Director's Sitting Fees	14.40	13.80
Payment to Auditors		
Statutory Audit	31.45	31.95
Tax Audit	7.50	7.45
Limited Review	9.60	9.90
Other Services	1.05	1.33
Out of Pocket Expense	1.43	1.16
GST Expenses	75.22	203.22
Corporate Social Responsibility Expenditure (Refer Note 34.1)	24.52	19.89
Stock Write off	-	24.00
Bad debts Written off	1,482.07	1,173.10

## **Aptech Limited - Consolidated Financial Statements**

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Allowance for Expected Credit Loss (Net)	153.74	135.24
Miscellaneous Expenses	221.77	150.32
<b>Total</b>	<b>12,413.01</b>	<b>11,610.92</b>

### **34.1 Corporate Social Responsibility Expenditure (CSR)**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
A. Gross amount required to be spent by the Group	23.60	29.45
B. Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year For Any Other purpose	24.52	19.89

The Group has constituted a CSR committee as required under Section 135 of the Act, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). The Group has formulated the CSR policy and has identified the CSR initiatives as also methodology for spending the same to ensure appropriate end use of funds so spent.

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**35. Taxation**

**a. Income Tax Expense**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income Tax Expense Charged/(Credited) to</b>		
<b>Profit and Loss account</b>		
Current Tax Expenses	448.88	545.30
Deferred Tax Expenses	(81.62)	(127.03)
<b>Sub-total</b>	<b>367.26</b>	<b>418.27</b>
<b>Other Comprehensive Income</b>		
Items that will not be reclassified to Profit and Loss		
Current Tax Expenses		
Loss on Remeasurement of Defined Benefit Plan	(1.91)	(11.17)
<b>Sub-total</b>	<b>(1.91)</b>	<b>(11.17)</b>
<b>Total</b>	<b>365.35</b>	<b>407.10</b>

**Aptech Limited - Consolidated Financial Statements**

**b. Reconciliation of tax expense and accounting profit multiplied by tax rate applicable in India :**  
(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit from Operations before Income Tax Expense	1,717.87	2,240.38
Corporate Tax Rate as per Income Tax Act, 1961	29.12%	27.82%
<b>Tax on Accounting profit</b>	<b>500.24</b>	<b>623.27</b>
<b>Tax on Income Exempt From Tax:</b>		
Preference Dividend Income	-	(39.82)
<b>Tax on Expenses not Tax Deductible:</b>		
CSR Expenses	-	5.53
Expenses in Relation to Exempt Income	-	1.34
Other Items	-	0.09
Income subject to different tax rate		
Effect of different tax rate on Deferred Tax	(23.71)	21.00
Effect of previously unrecognised Unabsorbed Depreciation and losses used to reduce Tax Expense	-	(135.47)
Effect of previously unrecognised deferred tax asset now recognised	(76.32)	(53.48)
Temporary differences & reversals thereof on which no deferred tax is recognised	(21.16)	(22.78)
Excess tax provision	-	(0.53)
Effect of Higher/(Lower) tax in AGLSM SDN BHD, Malaysia	5.61	21.82
Effect of Profit/ (Loss) not taxable in foreign country	(17.40)	(2.70)
<b>Income tax expense</b>	<b>367.26</b>	<b>418.27</b>
<b>Effective tax rate</b>	<b>21.38%</b>	<b>18.67%</b>

## Aptech Limited - Consolidated Financial Statements

### c. Deferred Tax Assets (Net)

The Balance Comprises Temporary Differences Attributable to : (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Assets :</b>		
Gratuity	2.09	-
Leave Encashment	80.97	77.37
Property Plant and Equipment and Intangible Assets	137.63	135.25
MAT Credit Entitlement (Net)	1,290.33	1,290.33
	<b>1,511.02</b>	<b>1,502.95</b>
<b>Other Items :</b>		
Allowance of Expected Credit Loss on Trade Receivables and Unbilled Revenue	337.13	347.89
Right-of-use Assets	5.11	-
Unabsorbed depreciation	2.89	-
	<b>345.13</b>	<b>347.89</b>
<b>Total Deferred Tax Assets</b>	<b>1,856.15</b>	<b>1,850.84</b>
<b>Deferred Tax Liabilities :</b>		
Property Plant and Equipment and Intangible Assets	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-
Others	-	-
<b>Total Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets</b>	<b>1,856.15</b>	<b>1,850.84</b>

Aptech Limited - Consolidated Financial Statements

**Movement in Deferred Tax Assets/ (Liabilities)**

(₹ in Lakhs)

Particulars	Property , Plant and Equipment and other Intangible assets	Defined Benefits Obligations	Utilisation of MAT Credit entitlement	Other Items	Total Deferred Tax Assets
<b>As at April 1, 2018</b>	<b>61.53</b>	<b>91.48</b>	<b>1,354.83</b>	<b>333.96</b>	<b>1,841.79</b>
(Charged)/Credited :					
To Statement of Profit and Loss	73.72	(14.11)	53.48	13.94	127.03
To Other Comprehensive Income	-	-	-	-	-
To Balance Sheet	-	-	(117.98)	-	(117.98)
<b>As at March 31, 2019</b>	<b>135.25</b>	<b>77.37</b>	<b>1,290.33</b>	<b>347.90</b>	<b>1,850.84</b>
(Charged)/Credited :					
To Statement of Profit and Loss	2.38	5.69	76.32	(2.77)	81.62
To Other Comprehensive Income	-	-	-	-	-
To Balance Sheet	-	-	(76.32)	-	(76.32)
<b>As at March 31, 2020</b>	<b>137.63</b>	<b>83.06</b>	<b>1,290.33</b>	<b>345.13</b>	<b>1,856.15</b>

## Aptech Limited - Consolidated Financial Statements

The Group had paid Minimum Alternate Tax (MAT) under the provisions of Income-tax Act, 1961 in earlier years for which the Company is entitled to MAT Credit and is allowed to be carried forward the same to be available for set off against the future tax liabilities. Considering reasonable certainty of the estimation of future profits, the Company had recognised MAT Credit Entitlement to the extent of ₹ 1,290.33 Lakhs. The said MAT Credit entitlement, then recognised, being unused tax credit, is reflected as a deferred tax asset (DTA) to the extent that it is probable that future taxable profit will be available against which such unused tax credits can be utilised. As on March 31, 2020, the Company has not recognised DTA of ₹ 2,983.44 Lakhs for unused tax credit in the form of MAT Credit Entitlement.

Unabsorbed depreciation has arisen during the year, which is allowed to be carried forward for indefinite period and available for set off against future taxable profits which may arise from operations of the Group. For such unused tax losses in the form of unabsorbed depreciation, the Company has recognised DTA of ₹ 2.89 Lakhs.

Since it is not probable that the Company would have future taxable profits against which unused tax losses in the form of long-term capital losses could be set off and accordingly, no DTA is recognised against long-term capital loss of ₹ 142.53 lakhs (Previous Year : ₹ 1,146.39 Lakhs).

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Unused MAT Credit Entitlement which expires in FY 2024-25	1,290.33	1,290.33
<b>Total</b>	<b>1,290.33</b>	<b>1,290.33</b>

During the year, Deferred Tax Assets have not been recognised on following :

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Unused Tax Losses (Long Term capital loss) which expires in		
FY 2019-20	-	1,003.86
FY 2020-21	72.75	72.75
FY 2021-22	69.78	69.78
<b>Total</b>	<b>142.53</b>	<b>1,146.39</b>

## Aptech Limited - Consolidated Financial Statements

### 36. Fair value measurement

#### Financial Instruments by category (₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instrument	-	11,139.28	0.67	-	11,198.84	0.67
Mutual Funds	2.82	-	-	2.65	-	-
Preference Shares	-	-	2,011.06	-	-	2,018.01
Trade and Other Receivables	-	-	7,382.26	-	-	6,911.49
Loans	-	-	569.29	-	-	558.60
Other Non-current Financial Assets	-	-	154.47	-	-	102.04
Cash and Cash Equivalents	-	-	465.88	-	-	1,051.47
Bank balances other than cash and cash equivalents	-	-	782.37	-	-	3,096.72
Other Current Financial Assets	-	-	4,313.94	-	-	1,499.88
<b>Total Financial Assets</b>	<b>2.82</b>	<b>11,139.28</b>	<b>15,679.94</b>	<b>2.65</b>	<b>11,198.84</b>	<b>15,238.89</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	2,257.83	-	-	-
Trade Payables	-	-	1,691.04	-	-	1,855.03
Lease Liabilities	-	-	521.63	-	-	-
Other Financial Liabilities	-	-	2,075.14	-	-	1,985.54
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>6,545.64</b>	<b>-</b>	<b>-</b>	<b>3,840.57</b>

#### Fair Value of Financial Assets and Financial Liabilities measured at amortised cost:

##### i. Financial Assets measured at amortised cost:

The Carrying amounts of Trade and Other Receivables and Cash and Cash equivalents are considered to be the same as their fair values, due to their short term nature. The Carrying amounts of loans are considered to be close to their fair values.

##### ii. Financials Liabilities measured at amortised cost:

The Carrying amount of Trade and Other Payables are considered to be the same as their fair values due to their short term nature.

#### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## Aptech Limited - Consolidated Financial Statements

### Financial Assets and Financial Liabilities measured at Fair Value Through

As at March 31, 2020	Profit and Loss			Other Comprehensive Income			(₹ in Lakhs)
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments in units of Mutual funds	2.82	-	-	-	-	-	<b>2.82</b>
Equity Instruments	-	-	-	-	-	11,139.28	<b>11,139.28</b>
<b>Total</b>	<b>2.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,139.28</b>	<b>11,142.10</b>

As at March 31, 2019	Profit and Loss			Other Comprehensive Income			(₹ in Lakhs)
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments in units of Mutual funds	2.65	-	-	-	-	-	<b>2.65</b>
Equity Instruments	-	-	-	-	-	11,198.84	<b>11,198.84</b>
<b>Total</b>	<b>2.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,198.84</b>	<b>11,201.49</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques used to determine Fair Value

Specific Valuation Techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.

**Aptech Limited - Consolidated Financial Statements**

**Details of assets considered under Level 3 classification**

(₹ in Lakhs)

Particulars	Investments in equity instruments	
	Syntea Polland	Beijing Jadebird IT Education Company
<b>Opening balance as on April 1, 2018</b>	<b>226.57</b>	<b>10,813.21</b>
Gain/(loss) recognised in Other Comprehensive Income	159.06	-
<b>Closing balance as on March 31, 2019</b>	<b>385.63</b>	<b>10,813.21</b>
Gain/(loss) recognised in Other Comprehensive Income	(59.56)	-
<b>Closing balance as on March 31, 2020</b>	<b>326.07</b>	<b>10,813.21</b>

Item	Valuation technique	Significant unobservable inputs	As at March 31, 2020		As at March 31, 2019	
			Movement by	₹ in Lakhs	Movement by	₹ in Lakhs
<b>Investments in Unquoted Equity Instruments</b>						
Syntea Polland	Comparable Companies Multiples Method (CCM) Refer Note 36.1	Revenue multiple	0.17x	26.63	0.11x	29.54
BJBC	Refer Note 36.2		-	-	-	-

**36.1** Comparable Companies Multiples Method (CCM): An approach that entails looking at market quoted price of comparable companies and converting that into the relevant multiples. The relevant multiple after adjusting for factors like size, growth, profitability, etc is applied to the relevant financial parameter of the subject company.

**36.2** As per para B5.2.3 of Annexure B on Application guidance to Ind AS 109 - Financial Instruments, "All Investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range."(Refer Note 6.3) for valuation of Investment in equity instruments of BJBC).

## Aptech Limited - Consolidated Financial Statements

### 37. Financial Risk Management

The Group's activities expose it to business risk, interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Group's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. Group's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Group's operating units. The board provides guidance for overall risk management, as well as policies covering specific areas.

The table below gives the summarised view of the financial risk managed by the Group :

Risk	Risk Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and Cash Equivalents, Trade Receivables, Financial Assets measured at Amortised Cost.	Aging Analysis, Credit Ratings	Diversification of Bank Deposits, Credit Limits and Regular Monitoring.
Liquidity Risk	Borrowings and Other Liabilities	Rolling Cash Flow Forecasts	Availability of surplus Cash, Committed Credit Lines and Borrowing Facilities
Market risk – Foreign Exchange	Recognised Financial Assets and Liabilities not Denominated in Indian Rupee	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the Net Exposure at an acceptable level, with option of taking Forward Foreign Exchange contracts, if deemed, necessary.
Price Risk	Investments in Mutual Funds/ Bonds	Credit Ratings	Portfolio Diversification and Regular Monitoring

## **Aptech Limited - Consolidated Financial Statements**

### **A. Credit Risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables, cash and cash equivalents, employee advances and security deposits. The Group manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive looking forward information such as:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant changes in the value of the collateral supporting the obligation or in the quality of the third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

### **B. Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

### **Financing arrangements**

The Group had access to bank overdraft facilities. These facilities may be drawn at any time and may be terminated by the bank without notice.

## Aptech Limited - Consolidated Financial Statements

### C. Market risk

#### Foreign currency risk

##### 1. Foreign currency exposure

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR, USD and MYR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR).

The risk is measured through a forecast of foreign currency sales and purchases for the Group's operations. The Group uses foreign exchange forward contracts to manage its exposure in foreign currency risk.

As of March 31, 2020, the Group's exposure to foreign currency risk, expressed in INR, is given in the table below. The amounts represent only the financial assets and liabilities that are denominated in currencies other than the functional currency of the Group.

(in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	EUR	USD	MYR	EUR	USD	MYR
<b>Financial assets</b>						
Trade receivable	-	22.48	0.10	0.01	19.32	1.74
<b>Net exposure to foreign currency risk (assets)</b>	<b>-</b>	<b>22.48</b>	<b>0.10</b>	<b>0.01</b>	<b>19.32</b>	<b>1.74</b>
<b>Financial liabilities</b>						
Trade payable	0.03	0.46	0.21	0.30	0.25	0.11
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.03</b>	<b>0.46</b>	<b>0.21</b>	<b>0.30</b>	<b>0.25</b>	<b>0.11</b>

##### 2. Foreign exchange sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The table below shows the sensitivity of profit or loss to a 5% change in foreign exchange rates.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
USD Sensitivity		
Increase by 5%	0.41%	5-6 %
Decrease by 5%	0.41%	5-6 %

## **Aptech Limited - Consolidated Financial Statements**

### **D. 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. Since the Group does not have any non-current borrowings, it is not exposed to cash flow interest rate risk.

The Group does not have any investments in equity securities and therefore is not exposed to price risk.

#### **1. Exposure to interest rate risk**

The Group's deposits and Investments are all at fixed rate and carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because a change in market interest rates.

#### **2. Price risk exposure**

The Group's exposure to securities price risk arises from Investments held in mutual funds/Bonds and classified in the balance sheet at fair value through profit or loss. Since these investments are primarily held in Government bonds its price risk arising from such investments is NIL. Quotes of these investments are available from the fund houses.

Profit for the year would increase /decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

## Aptech Limited - Consolidated Financial Statements

### 38. Capital Management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide Returns for shareholders and Benefits for other stakeholders,
- Maintain an optimal capital structure to reduce the cost of capital.
- The capital of the Group consist of equity capital and accumulated profits .

Particulars	As at March 31, 2020	As at March 31, 2019
Gross Debt	2,257.83	-
Less: Cash and cash equivalents	465.88	1,051.47
Net debt	1,791.95	
Total Equity	25,938.01	27,876.37
Net debt to equity ratio	6.91%	0.00%

### 39. Disclosure pursuant to Ind AS on 'Operating Segment'

The Managing director (MD) have been identified as the Chief Operating Decision Maker. He examines the performance of the Group on an entity level. The Group has only two operating segment i.e. 'Retail' and ' Institutional'. Thus, the segment revenue, segment results, total carrying value of segment assets and segment liabilities, total costs incurred to acquire segment assets, total amount of charge of depreciation during the period are all reflected in the financial statements as at and for the Year ended March 31, 2020.

#### Segment information

Particulars	Year Ended March 31, 2020				Year Ended March 31, 2019			
	Operating Segments				Operating Segments			
	Retail	Institutional	Unallocable	Total	Retail	Institutional	Unallocable	Total
Revenue								
Income from Segment	15,814.82	5,867.50	-	21,682.32	14,093.06	6,762.09	-	20,855.15
Results before Interest and Tax	5,717.65	(1,436.20)	(2,788.50)	1,492.95	5,303.12	(1,026.62)	(2,211.27)	2,065.23
Add: Interest income	127.51	-	211.74	339.25	22.96	15.95	145.59	184.50
Less: Interest Expenses and Finance Costs	25.11	34.44	54.78	114.33	0.23	-	9.12	9.35
<b>Profit / (Loss) before Tax</b>	<b>5,820.05</b>	<b>(1,470.64)</b>	<b>(2,631.54)</b>	<b>1,717.87</b>	<b>5,325.85</b>	<b>(1,010.67)</b>	<b>(2,074.80)</b>	<b>2,240.38</b>
Add /(Less): Current Tax	-	-	448.88	448.88	-	-	545.30	545.30
Add /(Less): Deferred Tax	-	-	(81.62)	(81.62)	-	-	(127.03)	(127.03)
<b>Profit / (Loss) after Tax</b>	<b>5,820.05</b>	<b>(1,470.64)</b>	<b>(2,998.80)</b>	<b>1,350.61</b>	<b>5,325.85</b>	<b>(1,010.67)</b>	<b>(2,493.07)</b>	<b>1,822.11</b>
<b>Other Information</b>								
Carrying amount of Segment Assets	5,840.35	5,354.32	22,950.66	34,145.33	4,557.03	6,067.94	22,418.43	33,043.40
Carrying amount of Segment Liabilities	3,183.60	1,921.94	3,101.78	8,207.32	2,504.97	1,652.55	1,009.51	5,167.03
Cost incurred to acquire Segment Property, Plant and Equipment and Other Intangible Assets during the year (Net of Inter Company)	885.67	505.60	102.86	1,494.13	539.87	279.75	285.58	1,105.20
Depreciation / Amortisation	663.67	438.99	219.58	1,322.24	574.90	289.38	210.42	1,074.70
Significant Non- Cash Expenses	567.09	1,144.52	508.11	2,219.72	520.35	787.84	(305.90)	1,002.30

**Aptech Limited - Consolidated Financial Statements**

**Geographical segment**

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Revenue from customers by location	Carrying amount of Segment assets by location	Addition to Property, Plant and Equipment and Other Intangible Assets	Revenue from customers by location	Carrying amount of Segment assets by location	Addition to Property, Plant and Equipment and Other Intangible Assets
India	18,941.21	32,085.75	1,494.13	18,051.31	31,567.09	1,105.20
Outside India	2,741.11	2,059.58	-	2,803.84	1,476.31	-
<b>Total</b>	<b>21,682.32</b>	<b>34,145.33</b>	<b>1,494.13</b>	<b>20,855.15</b>	<b>33,043.40</b>	<b>1,105.20</b>

A. Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

B. The Group reportable segments are organised based on the type of customers offered by these segments.

C. Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:

- i. Basis of identifying operating segments: Operating segments are identified as those components of the Group
  - a. That engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components);
  - b. Whose operating results are regularly reviewed by the Group's Executive Management to make decisions about resource allocation and performance assessment and for which discrete financial information is available
  - c. The Group has two reportable segments as described under "Segment Composition" as Retail & Institutional. The nature of services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.
- ii. Reportable segments: An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
- iii. Segment profit: Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Group's Executive Management.

**Aptech Limited - Consolidated Financial Statements**

**40. Related Party Disclosures**

**a. List of Related Parties:**

<b>Key Management Personnel</b>	Mr. Anil Pant - Managing Director & CEO Mr. Anuj Kacker - Whole Time Director Mr. T. K. Ravishankar - Executive Vice President and CFO Mr. Ketan Shah - Company Secretary
<b>Non-executive Directors</b>	Mr. Rakesh Jhunjhunwala - Chairman Mr. Vijay Aggarwal Mr. Asit Koticha Mrs. Madhu Jayakumar Mr. Madhusudan Kela Mr. Nikhil Dalal Mr. Ninad Karpe Mr. Rajiv Agarwal Mr. Ramesh S. Damani Mr. Utpal Sheth

**b. Key Management Personnel Compensation (Refer Note 31.2)** (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Short-Term Employee Benefits</b>		
Managing Director and CEO	260.99	249.81
Whole Time Director	131.63	145.83
Executive Vice President and CFO	95.12	114.58
Company Secretary	40.50	38.88
<b>Total</b>	<b>528.24</b>	<b>549.10</b>
<b>Share Based Payment</b>		
Managing Director and CEO	131.47	(83.27)
Whole Time Director	16.64	13.79
Executive Vice President and CFO	-	-
Company Secretary	0.99	0.71
<b>Total</b>	<b>149.10</b>	<b>(68.77)</b>

Liability for Gratuity and Leave Encashment at the end of the tenure has not been considered for calculation of Managerial Remuneration as per section IV of schedule V of Companies Act 2013

**Aptech Limited - Consolidated Financial Statements****c. Transactions with Related Parties**

The following transactions occurred with related parties during the year:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Dividend paid</b>		
Entities controlled/significantly influenced by Directors/Close Family members of Directors	1,528.43	672.79
Key Managerial Personnel	7.93	0.21
<b>Commission</b>		
Non-executive Directors	5.42	11.50
<b>Sitting Fees</b>		
Non-executive Directors	14.40	13.80
<b>Service Received from Other Related Parties</b>		
Mr. Ninad Karpe	30.00	32.50
Airpay Payment Services Private Limited (Entity controlled / significantly influenced by Close Relatives of Promoter)	1.85	1.43
<b>Loans Repayment by Key managerial Personnel</b>		
Mr. Anuj Kacker	5.82	5.27

**d. Loans and Advances to Related Parties:**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Name of Key Managerial Personnel</b>		
Mr. Anuj Kacker	20.02	25.84

## Aptech Limited - Consolidated Financial Statements

### 41. Contingent Liabilities and Contingent Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debt (Refer Note 41.1)	312.73	218.82
Counter Guarantees with Bank for Projects	291.75	530.49
<b>Total</b>	<b>604.48</b>	<b>749.31</b>

**41.1** Claims not acknowledged as debts with respect to the Group's pending litigations comprise of claims against the Company and its Subsidiaries primarily by the Civil & Consumer case pending with Courts. The Group's has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group's does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

**41.2** Other money for which the Group is contingently liable :

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Group will continue to monitor and evaluate its position and act, as clarity emerges.

**41.3** Guarantees issued with bank are for the projects that are being executed.

**41.4** The amount assessed as Contingent Liability donot include interest that could be claimed by counter parties .

## Aptech Limited - Consolidated Financial Statements

### 42. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	67.16	80.95
<b>Total</b>	<b>67.16</b>	<b>80.95</b>

### 43. Ind AS 116 on Leases

#### 43.1 Transition to Ind AS 116 :

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application, that is, April 1, 2019. Accordingly, the Group has not restated comparative information. This has resulted in recognising a right-of-use (ROU) assets of ₹ 451.92 lakhs and a corresponding lease liability of ₹ 451.92 lakhs as at April 1, 2019. The effect of this adoption is not significant on the profit and loss for the year and earning per share. Segment Results have been arrived after considering interest expense on lease liabilities.

The Group has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

**Aptech Limited - Consolidated Financial Statements**

**43.2 Disclosures pursuant to Ind AS 116 :**

**As a Lessee :**

a. Following are the changes in the carrying amount of Right-of-Use Assets for the year ended March 31, 2020 :

	(₹ in Lakhs)		
Category of Right-of-Use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
<b>Buildings &amp; Computers</b> (Refer note 4b)			
<b>Balance as at April 1, 2019</b>	-	-	-
On Transition to Ind AS 116	451.92		451.92
Additions	350.58	298.84	51.74
Deletions	-	-	-
<b>Balance as at March 31, 2020</b>	<b>802.50</b>	<b>298.84</b>	<b>503.66</b>

b. The following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

	(₹ in Lakhs)
Particulars	Carrying Amount
Current lease liabilities	367.43
Non-current lease liabilities	154.20
<b>Total</b>	<b>521.63</b>

c. The following is the movement in lease liabilities during the year ended March 31, 2020 :

	(₹ in Lakhs)
Particulars	Amount
<b>Balance as at April 1, 2019</b>	-
On Transition to Ind AS 116	451.92
Additions	350.58
Finance cost accrued	50.78
Deletions	-
Payment of lease liabilities	331.65
<b>Balance as at March 31, 2020</b>	<b>521.63</b>

## Aptech Limited - Consolidated Financial Statements

d. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

(₹ in Lakhs)	
<b>Particulars</b>	<b>Amount</b>
Less than one year	400.85
One to five years	162.45
More than five years	-
<b>Total</b>	<b>563.30</b>

The Group does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

e. The following amounts are recognised in the Statement of Profit and Loss for the year ended March 31, 2020 :

(₹ in Lakhs)	
<b>Particulars</b>	<b>Amount</b>
Depreciation charge on Right-of-use assets	298.84
Interest expense on lease liabilities	50.78
Expense relating to short-term leases	331.07

f. Total cash outflow for leases from Financing Activities recognised in the Statement of Cash Flows for the year ended March 31, 2020 is ₹331.64 Lakhs.

## Aptech Limited - Consolidated Financial Statements

### 44. Earnings Per Share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Basic Earnings Per Share		
i. Net Profit attributable to Equity Shareholders (₹ in Lakhs)	1,350.61	1,822.11
ii. Weighted average number of Equity Shares Outstanding (Nos.)	3,99,54,596	3,98,93,560
<b>Basic EPS (₹) (i)/(ii)</b>	<b>3.38</b>	<b>4.57</b>
B. Diluted Earnings Per Share		
i. Weighted average number of Equity Shares Outstanding (Nos.)	3,99,54,596	3,98,93,560
ii. Add: Potential Equity Shares on exercise of ESOPs (Nos.)	7,92,398	10,53,454
iii. Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii)	4,07,46,994	4,09,47,014
<b>Diluted EPS (₹) { (A) (i) / (B) (iii) }</b>	<b>3.31</b>	<b>4.45</b>

### 45. Foreign Currency Exposure which are not hedged

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables	1,989.45	1,367.25
	<b>1,989.45</b>	<b>1,367.25</b>

46. The figures for the previous year has been regrouped/ rearranged/reclassified wherever necessary to correspond with figures of current year.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGARWAL**  
Director  
DIN : 00515412

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

## **INDEPENDENT AUDITOR’S REPORT**

**To the Members of Aptech Limited**

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

### **Opinion**

We have audited the accompanying standalone financial statements of **Aptech Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the 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, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

## Emphasis of Matter

Attention is invited to Note 6.3 to the standalone financial statements, which indicates that in the absence of availability of audited financial statements of the investee in China for last about six years and other recent financial information, the investments in equity instruments held by the wholly owned step-down foreign subsidiary in the said investee is carried at cost, being an appropriate estimate of fair value, in accordance with paragraph B5.2.3 of Appendix B on the Application Guidance to Ind AS 109 on “Financial Instruments”. Consequently, the Company has continued to carry its investments in equity instruments of its immediate wholly owned subsidiary at its cost of ₹ 2,135.67 lacs.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, for the year ended March 31, 2020 and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

The Key Audit Matters	How the matter was addressed in the audit
<b>Revenue Recognition</b>	
<p>Ind AS 115 on “Revenue from Contracts with Customers” provides a comprehensive framework for determining whether, how much and when revenue is recognised. This involves certain key judgments relating to identification of distinct performance obligations, if any, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period or at a point in time. Additionally, Ind AS 115 requires comprehensive disclosures.</p> <p>The application and transition to Ind AS is complex and more particularly, when an entity derives its revenue from providing services. The Company provides services to its customers under varied arrangements which are to be evaluated for recognition of revenue; also, establishing an appropriate</p>	<p>Our audit procedures included, among others, the following :</p> <ul style="list-style-type: none"><li>• Evaluated the design of the internal controls in terms of the requirements of Ind AS 115 for the manner of recognising revenue;</li><li>• Evaluated the accounting policy of recognising revenue;</li><li>• Evaluated the detailed analysis performed by management on revenue streams for each segment by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li></ul>

<p>year-end position requires significant judgment and estimation by management. Considering all these aspects, the revenue recognition is considered to be a key audit matter.</p> <p>[Refer Notes 2.p. and 27 to the standalone financial statements].</p>	<ul style="list-style-type: none"> <li>Evaluated the appropriateness and assessed the completeness of the disclosures in accordance with the requirements of Ind AS 115.</li> </ul>
<b>Allowance for Expected Credit Loss of Trade Receivables and Unbilled Revenue</b>	
<p>Provision for impairment by way of Allowance for Expected Credit Loss (ECL) of Trade Receivables and Unbilled Revenue as also written off, if any, thereof, require -</p> <ul style="list-style-type: none"> <li>the appropriateness of accounting policies for determination of Allowance for ECL and the amounts to be written off as Bad Debts;</li> <li>operational procedures and systems of internal control in estimation of ECL and Bad Debts write off;</li> <li>estimation of expected losses and appropriate assumptions and significant judgements on the recoverability of receivables;</li> <li>the completeness, accuracy, relevance and reliability of historical information;</li> <li>the Company's overall review of the estimate; and</li> <li>the clarity and reasonableness of related ECL disclosures and Bad Debts write off.</li> </ul> <p>The Company has certain litigations for services provided under contracts with its customers. The Company's estimates of expected losses also considers the use of assumptions and assessments of outcome of these litigations.</p>	<p>Our audit procedures included, among others, the following :</p> <ul style="list-style-type: none"> <li>Obtained sufficient and appropriate audit evidence about whether policies, operational procedures, internal control systems and other relative assumptions for estimation and determination of Allowance for ECL are reasonable;</li> <li>Objectively evaluated the estimates made in the broader context of the standalone financial statements as a whole;</li> <li>Based on discussions with the management of the Company, familiarised ourselves with the latter's analysis of the risks and status of each significant reported litigation;</li> <li>Evaluated the lawyers' advice, and communication with other parties to the suits;</li> <li>Assessed the estimates and assumptions adopted by the Company in determining the need to recognise a provision and, where applicable, its amounts and if required, the write off.</li> <li>Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss and Bad Debts write off.</li> </ul>

<p>In view of the determination of the basis and quantum of Allowance of ECL and Bad Debts write off, it is a significant item in the consolidated financial statements and hence, considered to be a key audit matter.</p> <p>[Refer Notes 2.o.vi, 10 and 14 to the standalone financial statements]</p>	
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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

### **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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

### **Auditor's Responsibilities for the Audit of the 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 standalone 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 with reference to financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the standalone financial statements dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”;
- g. With respect to the matters to be included in the Auditor’s Report in accordance with requirement of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act. and is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, as required under the applicable law or accounting standards;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended March 31, 2020.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the “Annexure B”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No.36148  
UDIN : 20036148AAAABA3653

**Place :** Mumbai  
**Dated:** May 25, 2020

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1(f) under the heading of "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Standalone Financial Statements for the year ended March 31, 2020.

### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of **Aptech Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

## **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that:

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No.36148  
UDIN : 20036148AAAABA3653

**Place :** Mumbai  
**Dated:** May 25, 2020

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Standalone Financial Statements for the year ended March 31, 2020.

### **Report on the Companies (Auditor's Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Aptech Limited ("the Company")**

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").
  - b. PPE have been physically verified by the management according to a phased programme designed to cover all PPE over a period of three years, which in our opinion, provides for physical verification of all the items of PPE at reasonable intervals. Pursuant to the programme, a material portion of the items of PPE have been verified by the management during the year, and no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as included in Note 4 of standalone financial statements, are held in the name of the Company.
- ii. Inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- iii. In an earlier year, the Company has granted interest-free advance of ₹ 5.40 lakhs to its wholly owned subsidiary company and a loan of ₹ 20.02 lakhs (balance outstanding as on March 31, 2020) to its Whole Time Director covered in the Register maintained under Section 189 of the Act. In our opinion and according the information and explanations given to us, the terms and conditions whereof are, *prima facie*, not prejudicial to the interest of the Company.

According to the information and explanations given to us and on the basis of our examination, the schedule of repayment of principal and interest for the loan to the Whole Time Director has been stipulated and repayments of principal and interest have been regular as per stipulations. There is no stipulation in respect of repayment of interest-free advance to the wholly owned subsidiary.

There are no amounts overdue for more than ninety days as at March 31, 2020.

- iv. In our opinion and according to the information and explanations given to us, except for advance to wholly owned subsidiary of ₹ 5.40 lakhs, which is interest-free, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to the loans and investments made. The Company has not given any guarantee or provided any security in connection with a loan to any person or other body corporate and accordingly, the question of commenting on compliance with the provisions in respect thereof does not arise.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 3(v) of the Order to comment on whether the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, is not applicable.
- vi. According to the information and explanations given to us, pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Section 148(1) of the Act, the Central Government has not prescribed maintenance of cost records in respect of any of the Company's products. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii.
  - a. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has been regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues, as applicable to it, with the appropriate authorities in India. There are no arrears of outstanding statutory dues on the last day of the financial year, for a period of more than six months from the date they become payable.
  - b. According to the information and explanations given to us and on the basis of the books and records examined by us, there are no material dues of Income-tax, Service Tax and Goods and Service Tax which have not been deposited on account of any disputes.
- viii. According to the information and explanations given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in the repayment of loans or borrowings from banks. The Company has not taken any loan or borrowing from financial institutions or Government and has not issued any debenture during the year.
- ix. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting requirements as per provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Also, the excess remuneration of ₹ 73.92 lakhs paid to the erstwhile Managing Director for the Financial Year 2014-15 is being recovered from the erstwhile Managing Director pursuant to the approval received from the Central Government. The Company has already recovered ₹ 49.06 lakhs out of the aforesaid amount.

- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of the books and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with any of the directors or any person connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No.36148  
UDIN : 20036148AAAABA3653

**Place :** Mumbai  
**Dated:** May 25, 2020

**Aptech Limited - Standalone Financial Statements**  
**Balance Sheet as at March 31, 2020**

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4a	1,180.27	1,320.90
Right-of-Use Assets	4b	436.17	-
Other Intangible Assets	5a	713.21	810.68
Intangible Assets under Development	5b	40.30	114.42
<b>Financial Assets</b>			
Investments	6	10,727.72	10,793.99
Loans	7	54.31	77.34
Deferred Tax Assets (Net)	34	1,679.04	1,611.18
Other Non-current Assets	8	1,124.60	643.68
<b>Total Non-current Assets</b>		<b>15,955.62</b>	<b>15,372.19</b>
<b>Current Assets</b>			
Inventories	9	110.96	92.39
<b>Financial Assets</b>			
Trade Receivables	10	6,145.84	5,584.74
Cash and Cash Equivalents	11	152.03	466.71
Bank Balances other than cash and cash equivalents	12	774.96	2,190.99
Loans	13	301.32	1,220.93
Other Financial Assets	14	1,015.84	794.83
Other Current Assets	15	608.97	501.36
<b>Total Current Assets</b>		<b>9,109.92</b>	<b>10,851.95</b>
<b>TOTAL ASSETS</b>		<b>25,065.54</b>	<b>26,224.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	4,025.46	3,989.36
Other Equity	17	15,779.05	19,078.03
<b>Total Equity</b>		<b>19,804.51</b>	<b>23,067.39</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liabilities	18	146.48	-
Provisions	19	191.19	176.65
<b>Total Non-current Liabilities</b>		<b>337.67</b>	<b>176.65</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	1,805.68	-
Trade Payables	22	1,278.82	1,414.87
Lease Liabilities	23	304.45	-
Other Financial Liabilities	24	1,231.77	1,261.23
Provisions	25	43.03	33.75
Other Current Liabilities	26	259.61	270.25
<b>Total Current Liabilities</b>		<b>4,923.36</b>	<b>2,980.10</b>
<b>Total Liabilities</b>		<b>5,261.03</b>	<b>3,156.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,065.54</b>	<b>26,224.14</b>

Notes (Including Significant Accounting Policies) Forming Part of the Standalone Financial Statements

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The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

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

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGGARWAL**  
Director  
DIN : 00515412

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

**Aptech Limited - Standalone Financial Statements**  
**Statement of Profit and Loss for the year ended March 31, 2020**

(₹ in Lakhs other than EPS)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	27	14,158.84	14,078.02
Other Income	28	412.57	470.56
<b>Total Income</b>		<b>14,571.41</b>	<b>14,548.58</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade		123.48	177.82
Changes in Inventories of Stock-in-Trade	29	(18.57)	(49.75)
Employee Benefits Expense	30	4,588.74	5,064.14
Share Based Payment to Employees	31	450.61	(352.19)
Finance Costs	32	122.06	9.18
Depreciation and Amortisation Expense	4 & 5	903.61	699.64
Other Expenses	33	8,448.53	8,300.94
<b>Total Expenses</b>		<b>14,618.46</b>	<b>13,849.78</b>
<b>Profit/(Loss) before Tax</b>		<b>(47.05)</b>	<b>698.80</b>
<b>Tax Expense</b>			
Current Tax	34	-	198.64
Deferred Tax	34	(67.86)	(19.67)
<b>Total Tax Expense</b>		<b>(67.86)</b>	<b>178.97</b>
<b>Profit/ (Loss) for the year</b>		<b>20.81</b>	<b>519.83</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
i. Gain/ (Loss) on Remeasurement of Defined Benefit Plan		(106.63)	(28.59)
ii. Gain/ (Loss) on Fair Valuation on Equity Instruments		(59.31)	159.06
iii. Income Tax on above		-	7.81
<b>Other Comprehensive Income for the year (Net of Tax)</b>		<b>(165.94)</b>	<b>138.28</b>
<b>Total Comprehensive Income for the year</b>		<b>(145.13)</b>	<b>658.11</b>
<b>Earnings Per Equity Share of ₹ 10 par value :</b>			
Basic ( ₹ per share)	43	0.05	1.30
Diluted ( ₹ per share)		0.05	1.27

Notes (Including Significant Accounting Policies) Forming Part of the Standalone Financial Statements

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The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGGARWAL**  
Director  
DIN : 00515412

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
Place : Mumbai  
Dated : May 25, 2020

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

**Aptech Limited - Standalone Financial Statements**  
**Statement of Changes in Equity for the Year ended March 31, 2020**

**A. Equity Share Capital**

Particulars	Notes	No. of shares	₹ in Lakhs
<b>Balance as at April 1, 2018</b>		<b>3,98,93,560</b>	<b>3,989.36</b>
Changes in Equity Share Capital	16	-	-
<b>Balance as at March 31, 2019</b>		<b>3,98,93,560</b>	<b>3,989.36</b>
Shares issued during the year on exercise of Employee Stock Options	16	3,60,994	36.10
<b>Balance as at March 31, 2020</b>		<b>4,02,54,554</b>	<b>4,025.46</b>

**B. Other Equity**

(₹ in Lakhs)

Particulars	Share Application Money pending Allotment	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Total Other Equity
		Capital Redemption Reserve	Securities Premium Account	Share Options Outstanding Account	General Reserves	Retained Earnings		
<b>Balance as at April 1, 2018</b>	-	<b>1,774.59</b>	<b>8,977.20</b>	<b>1,807.89</b>	<b>624.98</b>	<b>7,263.29</b>	<b>(38.66)</b>	<b>20,409.29</b>
Profit/(Loss) for the year	-	-	-	-	-	519.83	-	519.83
Share Based Payments to Employees	-	-	-	(306.04)	-	-	-	(306.04)
Gain/(Loss) on Fair Valuation of Equity Instruments	-	-	-	-	-	-	159.06	159.06
Other Comprehensive Income for the year (Net of Income Tax)	-	-	-	-	-	(20.78)	-	(20.78)
Interim Dividend	-	-	-	-	-	(1,396.27)	-	(1,396.27)
Corporate Tax on Interim Dividend	-	-	-	-	-	(287.06)	-	(287.06)
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(306.04)</b>	-	<b>(1,184.28)</b>	<b>159.06</b>	<b>(1,331.26)</b>
<b>Balance as at March 31, 2019</b>	-	<b>1,774.59</b>	<b>8,977.20</b>	<b>1,501.85</b>	<b>624.98</b>	<b>6,079.01</b>	<b>120.40</b>	<b>19,078.03</b>
Profit/(Loss) for the Year	-	-	-	-	-	20.81	-	20.81
Premium received on exercise of Employee Stock Options	-	-	602.36	-	-	-	-	602.36
Share Application Money received on exercise of Employee Stock Options, pending allotment	0.50	-	-	-	-	-	-	0.50
Share Based Payments to Employees	-	-	-	507.08	-	-	-	507.08
Exercise of Employee Stock Options	-	-	-	(396.60)	-	-	-	(396.60)
Gain/(Loss) on Fair Valuation of Equity Instruments	-	-	-	-	-	-	(59.31)	(59.31)
Other Comprehensive Income for the year (Net of Income Tax)	-	-	-	-	-	(106.63)	-	(106.63)
Interim Dividend	-	-	-	-	-	(3,207.74)	-	(3,207.74)
Corporate Tax on Interim Dividend	-	-	-	-	-	(659.46)	-	(659.46)
<b>Total Comprehensive Income for the Year</b>	<b>0.50</b>	-	<b>602.36</b>	<b>110.48</b>	-	<b>(3,953.02)</b>	<b>(59.31)</b>	<b>(3,298.98)</b>
<b>Balance as at March 31, 2020</b>	<b>0.50</b>	<b>1,774.59</b>	<b>9,579.56</b>	<b>1,612.33</b>	<b>624.98</b>	<b>2,125.99</b>	<b>61.09</b>	<b>15,779.05</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our attached Report of even date

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registrat on No. 100991W

For and on behalf of the Board of Directors of

**APTECH LIMITED**

**ANIL PANT**

Managing Director & CEO

DIN : 07565631

**VIJAY AGGARWAL**

Director

DIN : 00515412

**PARESH H. CLERK**

Partner

Membership No. 36148

Place : Mumbai

Dated : May 25, 2020

**T. K. RAVISHANKAR**

Executive Vice President & CFO

**KETAN SHAH**

Company Secretary

**Aptech Limited - Standalone Financial Statements**  
**Statement of Cash Flows for the Year Ended March 31, 2020**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>(47.05)</b>	<b>698.80</b>
<b>Adjustments for:</b>		
Share Based Payment to Employees	450.61	(352.19)
Depreciation and Amortisation Expense	903.61	699.64
Allowances for Expected Credit Loss (Net)	807.56	894.77
Bad debts written off	414.69	0.14
Finance Costs	122.06	9.18
Interest Income	(185.15)	(130.57)
Dividend Income	(143.04)	(221.59)
Excess Provisions written back	49.24	42.66
Unrealised Loss/ (Gain) on Exchange Fluctuation (Net)	(59.52)	(36.24)
Profit on Sale of Property, Plant and Equipment (Net)	-	4.40
	<b>2,360.06</b>	<b>910.20</b>
<b>Operating Profit before Working Capital Changes</b>	<b>2,313.01</b>	<b>1,609.00</b>
<b>Changes in Working Capital</b>		
Decrease/(Increase) in Inventories	(18.57)	(49.75)
Decrease/(Increase) in Trade Receivables and Unbilled Revenue	(1,150.05)	(1,398.01)
Decrease/(Increase) in Loans	999.10	106.31
Decrease/(Increase) in Other Non-current Assets	(4.22)	67.22
Decrease/(Increase) in Other Financial Assets	(794.79)	26.75
Decrease/(Increase) in Other Current Assets	(107.61)	(81.52)
Increase/(Decrease) in Non-current Liabilities and Provisions	(92.09)	(16.32)
Increase/(Decrease) in Trade Payables	(136.05)	34.64
Increase/(Decrease) in Other Financial Liabilities	(84.17)	230.87
Increase/(Decrease) in Other Current liabilities	(10.63)	(198.32)
	<b>(1,399.08)</b>	<b>(1,278.14)</b>
<b>Cash generated from / (used in) Operations</b>	<b>913.93</b>	<b>330.86</b>
Net Income Tax (Paid)	(476.70)	(696.06)
<b>Net Cash generated from/ (used in) Operating Activities</b>	<b>437.23</b>	<b>(365.20)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(377.23)	(709.54)
Proceeds from Sale of Property, Plant and Equipment	16.92	43.77
Sale of Investments	-	750.79
Interest Income	185.15	130.57
Dividend received	150.00	228.44
Proceeds from/(Investment) in Bank Deposits (maturity more than three months)	1,416.03	721.46
Loans and Advances -Repayment by/(Given) to Subsidiaries	-	433.94
	<b>1,390.87</b>	<b>1,599.43</b>
<b>Net Cash generated from/ (used in) Investing Activities</b>	<b>1,390.87</b>	<b>1,599.43</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of Employees stock option	241.87	-
Proceeds from share application money pending allotment	0.50	-
Proceeds/(Repayment) in borrowings (Net) from Subsidiaries	699.86	-
Repayment of Principal portion of lease liabilities	(201.56)	-
Repayment of Interest portion of lease liabilities	(39.84)	-
Proceeds/(Repayment) of Bank borrowings	1,105.82	-
Dividend paid (Including Dividend Distribution Tax)	(3,867.20)	(1,683.33)
Finance Costs	(82.23)	(9.18)
	<b>(2,142.78)</b>	<b>(1,692.51)</b>
<b>Net Cash generated from/ (used in) Financing Activities</b>	<b>(2,142.78)</b>	<b>(1,692.51)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(314.68)</b>	<b>(458.28)</b>
Cash and Cash Equivalents at the beginning of the year	<b>466.71</b>	<b>924.99</b>
Cash and Cash Equivalents at the end of the year (Refer Note 11)	<b>152.03</b>	<b>466.71</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(314.68)</b>	<b>(458.28)</b>

**Aptech Limited - Standalone Financial Statements**

i. Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**ii. Disclosure Pursuant to Ind AS 7 :**

Ind AS 7 requires the entities to provide disclosures that enable user of financial statements to evaluate changes in liabilities and financial assets arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement.

(₹ in Lakhs)				
For the year ended March 31, 2020	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Short term Borrowings	-	1,805.68	-	1,805.68

iii. Cash and Cash Equivalents included in the Statement of Cash Flows comprise the following :

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents disclosed under Current Financial Assets	152.03	466.71
<b>Total Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>152.03</b>	<b>466.71</b>

iv. Purchase of Property, Plant and Equipment included addition to Other Intangible Assets and adjusted for movement in Intangible Assets under development.

v. Figures in bracket indicate Cash Outflow.

As per our attached Report of even date  
For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGGARWAL**  
Director  
DIN : 00515412

**PARESH H. CLERK**  
Partner  
Membership No. 36148  
**Place** : Mumbai  
**Dated** : May 25, 2020

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

## 1. Corporate Information

Aptech limited ("The Company") is a public limited company incorporated and domiciled in India and has its registered office at Mumbai. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE) of India Limited. The Company is primarily engaged in the business of education training and assessment solution services. It is a global learning solutions company that commenced its Education and Training business for the last over three decades.

The financial statements for the year ended March 31, 2020 are approved for issue by the Board of Directors of the Company on May 25, 2020.

## 2. Significant Accounting Policies

### a. Basis of Preparation

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

These Financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities that is measured at fair value;
- Net Defined benefit (asset)/liability – fair value of plan assets less present value of defined benefit obligations;
- Share based payments – at fair value

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest lakhs (INR '00,000) upto two decimals, except when otherwise indicated.

### b. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. The carrying amount of any component accounted for as separate asset is recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Freehold land is carried at historical cost less impairment loss, if any.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net

disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

### Capital Work-in-progress

Property, plant and equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### Depreciation method, Estimated useful lives and residual value

Depreciation on Property, Plant and Equipment is provided over their estimated useful lives on a straight line basis from the date the same are ready for intended use. Useful life of PPE is in accordance with that prescribed in Schedule II, except in respect of the following items of PPE which is based on technical evaluation:

- i. Certain items of plant and machinery (including computers) installed at and used in projects and certain training centers which are depreciated over the number of years till the completion of the period of the contract when the assets are transferred to those parties.
- ii. Depreciation on PPE is provided at the following rates based on estimated useful life as per the Act,

Office Premises	60 years
Furniture and Fixtures	5 years
Computers Hardware	3 years
Office Equipment	5 years
Electrical Equipments	10 years

- iii. Depreciation on Furniture and Fixtures which are installed at leasehold premises is provided over lease period. On other Furniture and Fixtures, the estimated useful life is considered to be that of 5 years.
- iv. Depreciation on PPE added/ disposed off during the year is provided on *pro-rata* basis with reference to the date of addition/disposal.
- v. Items of PPE which has cost of ₹ 5,000 or less are depreciated fully in the year of purchase/capitalisation.
- vi. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, while the effect of any change in estimate is accounted for on a prospective basis.

### c. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow to the Company and the cost of the item can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Directly attributable costs, that are capitalised as part of the software include employee costs and an appropriate portion of relevant expenses.

## **Amortisation**

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use, as under :

Computer Software and Contents with a finite useful life using the straight-line method over the 3 years from the date they are available for use or based on its consumption pattern, as applicable.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, while the effect of any change in estimate being accounted for on a prospective basis.

Goodwill arising on acquisition of business unit is amortised over a period of ten years.

## **d. Impairment of Non-financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the 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 for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognised for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## **e. Inventories**

Inventories consists of educational course material valued at the lower of cost or net realisable value. Cost of such material are determined on Weighted Average basis.

## **f. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with the bank and other short term highly liquid investments, which are readily convertible into cash and which are subject to an insignificant risk of change in value and have original maturities of three months or less.

## **g. Costs and Expenses**

Costs and expenses are recognised when incurred and are classified according to their nature.

## **h. Employee Share based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

## **i. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions is not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, 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.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A Contingent Asset is not recognised, but disclosed in the financial statements when an inflow of economic benefits is probable.

## **j. Employee Benefits**

### **Short-term and Other Long-term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for benefits accruing to employees in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

#### **i. Defined Contribution Plan**

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on

the amount of contribution required to be made and when services are rendered by the employees.

## ii. Defined Benefit Plan

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Re-measurement, comprising actuarial gains and losses, are recognised in full in the Other Comprehensive Income for the period in which they occur. Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit and Loss. Past service cost both vested and non-vested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

## Compensated Absences

The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

## k. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

### i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Current tax assets and current tax liabilities are offset if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the current tax liabilities and assets on a net or simultaneous basis.

## ii. Deferred income taxes

### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax liabilities and assets on a net or simultaneous basis.

### Current and Deferred Tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

## I. Earnings per Share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### **m. Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items, if any, that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### **n. Statement of Cash Flows**

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

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

### **o. 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. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### **i. Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### **ii. Classification and Subsequent Measurement : Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

##### **a. Amortised Cost**

A financial asset shall be classified and measured at amortised cost (based on Effective Interest Rate method), if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and bank balances, trade receivables, loans and other financial assets of the Company are covered under this category.

#### **b. Fair Value through Other Comprehensive Income**

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial assets that are measured at FVOCI, income by way of interest and dividend is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of equity instruments measured at FVOCI, the cumulative gain or loss previously accumulated in other equity is not reclassified to profit or loss on disposal of investments.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading through FVOCI.

#### **c. Fair Value through Profit or Loss**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **iii. Classification and Subsequent Measurement : Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'Other Financial Liabilities'.

#### **a. Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### **b. Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part

of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **iv. Offsetting**

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **v. Financial liabilities and equity instruments**

- Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Company are recognised at the proceeds received net off direct issue cost.

#### **vi. Impairment of financial assets**

The Company recognises loss allowance using expected credit loss model for financial assets which are measured at amortised cost and FVOCI debt instruments, if any. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade Receivables, the Company measures loss allowance at an amount equal to expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **vii. Derecognition of Financial Assets**

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### **viii. Derecognition of financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

### **p. Revenue Recognition**

The Company derives revenue primarily from providing training in Information Technology, Media and Entertainment . The Company offers training mainly through the Franchisee model and Corporate Training under the head "Training and Education Services". The Company also earns revenue from providing Testing and Assessment Solution Services to private and public sector undertakings, government departments and educational institutions under its Institutional Segment ("Assessment Solution Services"). The main product offered by this division is Computer Aided Assessments, Digital Evaluation tool for paper-based exams, Pen and Paper Assessments and Document Digitalisation tool as separate products.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue related to fixed time frame services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognized as the related services are performed, that is on completion of the performance obligation. Revenue in respect of sale of Education course materials is recognised on delivery of the course materials to the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenues in excess of invoicing are classified as contract assets (which we refer to as "Unbilled Revenue") while invoicing in excess of revenues are classified as contract liabilities (which we refer to as "Unearned Revenue").

The contract liabilities primarily relate to advance considerations received from customers for whom revenue is recognized as the related services are performed, that is on completion of performance obligation.

Advance collections are recognised when payment is received before the related performance obligation is satisfied. This includes advance received from the customer towards events fees, course-ware fees, etc. Revenue is recognised as the related services are performed, that is on completion of performance obligation.

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

The billing schedules agreed with customers include periodic performance based payments and/ or milestone based progress payments. Invoices are payable within contractually agreed credit period.

The Company disaggregates revenue from contracts with customers by nature of services, type of customers and geography.

**i. Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

**ii. Dividends**

Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend except in case of Interim Dividend .

**iii. Franchisee fees**

Net Franchisee fees income is recognised as operating income on an accrual basis in accordance with the substance of the relevant agreements with the franchisees as licensing-out technologies / Patent /Trade mark uses /expertise's is part of the ordinary and recurring activities of a business.

Income that relates to the sale or out-licensing of technologies or technological expertise is recognised in profit or loss as of the effective date of the respective agreement if all rights relating to the technological knowhow / Expertise's and all obligations resulting from them have been transferred under the contract terms. However, if rights to the technologies / expertise's continue to exist or obligations resulting from them have yet to be fulfilled, the revenue is deferred, accordingly.

**iv. Government Grants**

Government grants are recognised at their fair value if there is reasonable assurance that the grant will be received and all related conditions will be complied with. Cost grants are recognised as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. If the grant is an investment grant, its fair value is initially recognised as deferred income in Other non-current liabilities and then released to profit or loss over the expected useful life of the relevant asset.

**q. Leases**

**As a Lessee:**

The Company's leased assets consist of leases for Buildings and Computers. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before

the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **Short-term leases and leases of low-value assets:**

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

#### **As a Lessor:**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income as per the terms of the lease as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset. (Refer Note 42 for Impact of transition and disclosures pursuant to Ind AS 116.)

#### **r. Segment Reporting Policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

##### **Identification of Segments**

The Company has reported Segment Information as per Ind AS 108. The Company has identified Operating Segments taking into account the the services of Business Function, the differing risks and returns, the organizational structure and the internal reporting system.

#### **s. Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### **i. Key estimates, assumptions and judgements**

The key assumptions concerning the future and other major 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:

##### **ii. Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 34.

##### **iii. Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**iv. Lease**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**v. Employee Benefit Plans**

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligation is determined based on actuarial valuations. 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, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**vi. Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**vii. Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**viii. Impairment of Assets**

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

**ix. Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**3. Recent Indian Accounting Standards (Ind AS):**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Aptech Limited - Standalone Financial Statements

4a. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Fittings	Total
<b>Gross Carrying Amount</b>								
<b>Balance as at April 1, 2018</b>	<b>1.86</b>	<b>867.26</b>	<b>410.26</b>	<b>332.09</b>	<b>152.87</b>	<b>97.85</b>	<b>53.77</b>	<b>1,915.96</b>
Additions	-	-	76.13	27.45	67.83	4.70	-	176.11
Disposals	-	-	(123.69)	-	-	(0.32)	-	(124.01)
<b>Balance as at March 31, 2019</b>	<b>1.86</b>	<b>867.26</b>	<b>362.70</b>	<b>359.54</b>	<b>220.70</b>	<b>102.23</b>	<b>53.77</b>	<b>1,968.06</b>
Additions	-	-	85.18	-	-	34.82	-	120.00
Disposals	-	-	(47.48)	(3.71)	(30.09)	(22.67)	(1.10)	(105.05)
<b>Balance as at March 31, 2020</b>	<b>1.86</b>	<b>867.26</b>	<b>400.40</b>	<b>355.83</b>	<b>190.62</b>	<b>114.38</b>	<b>52.67</b>	<b>1,983.01</b>
<b>Accumulated Depreciation</b>								
<b>Balance as at April 1, 2018</b>	-	<b>32.52</b>	<b>202.68</b>	<b>137.52</b>	<b>33.53</b>	<b>40.83</b>	<b>12.76</b>	<b>459.84</b>
Depreciation charge for the Year	-	23.60	125.93	73.48	22.16	19.90	6.89	271.96
Disposals	-	-	(84.41)	-	-	(0.23)	-	(84.64)
<b>Balance as at March 31, 2019</b>	-	<b>56.12</b>	<b>244.20</b>	<b>211.00</b>	<b>55.69</b>	<b>60.50</b>	<b>19.65</b>	<b>647.16</b>
Depreciation charge for the Year	-	23.65	93.59	72.61	26.59	24.22	6.41	247.08
Disposals	-	-	(46.16)	(3.71)	(18.52)	(22.01)	(1.10)	(91.50)
<b>Balance as at March 31, 2020</b>	-	<b>79.77</b>	<b>291.63</b>	<b>279.90</b>	<b>63.76</b>	<b>62.71</b>	<b>24.96</b>	<b>802.74</b>
Net Carrying Amount as at March 31, 2019	1.86	811.14	118.50	148.54	165.01	41.73	34.12	1,320.90
<b>Net Carrying Amount as at March 31, 2020</b>	<b>1.86</b>	<b>787.49</b>	<b>108.77</b>	<b>75.93</b>	<b>126.86</b>	<b>51.67</b>	<b>27.71</b>	<b>1,180.27</b>

4b. Right-of-Use Assets

(₹ in Lakhs)

Particulars	Building	Computers	Total
<b>Gross Carrying Amount</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
On Transition to Ind AS 116	9.85	299.10	308.95
Additions	343.53	-	343.53
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>353.38</b>	<b>299.10</b>	<b>652.48</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Depreciation charge for the Year	96.67	119.64	216.31
Disposals	-	-	-
<b>Balance as at March 31, 2020</b>	<b>96.67</b>	<b>119.64</b>	<b>216.31</b>
<b>Net Carrying Amount as at March 31, 2020</b>	<b>256.71</b>	<b>179.46</b>	<b>436.17</b>

## Aptech Limited - Standalone Financial Statements

### 5a. Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Contents	Total
<b>Gross Carrying Amount</b>			
<b>Balance as at April 1, 2018</b>	<b>385.50</b>	<b>1,250.88</b>	<b>1,636.38</b>
Additions	332.09	189.12	521.21
Intangible assets developed	-	-	-
<b>Balance as at March 31, 2019</b>	<b>717.59</b>	<b>1,440.00</b>	<b>2,157.59</b>
Addition	64.13	285.61	349.74
Disposals	(88.64)	(0.28)	(88.92)
Intangible assets developed	-	-	-
<b>Balance as at March 31, 2020</b>	<b>693.08</b>	<b>1,725.33</b>	<b>2,418.41</b>
<b>Accumulated Amortisation</b>			
<b>Balance as at April 1, 2018</b>	<b>184.59</b>	<b>734.64</b>	<b>919.23</b>
Amortisation charge for the Year	124.59	303.09	427.68
<b>Balance as at March 31, 2019</b>	<b>309.18</b>	<b>1,037.73</b>	<b>1,346.91</b>
Amortisation charge for the Year	192.44	247.78	440.22
Disposals	(81.65)	(0.28)	(81.93)
<b>Balance as at March 31, 2020</b>	<b>419.97</b>	<b>1,285.23</b>	<b>1,705.20</b>
Net Carrying Amount as at March 31, 2019	408.41	402.27	810.68
<b>Net Carrying Amount as at March 31, 2020</b>	<b>273.11</b>	<b>440.10</b>	<b>713.21</b>

## Aptech Limited - Standalone Financial Statements

### 5b. Intangible Assets under Development

(₹ in Lakhs)

Particulars	Intangible assets under Development	Total
<b>Gross Carrying Amount</b>		
<b>Balance as at April 1, 2018</b>	<b>111.03</b>	<b>111.03</b>
Additions	192.51	192.51
Transfer	(189.12)	(189.12)
<b>Balance as at March 31, 2019</b>	<b>114.42</b>	<b>114.42</b>
Additions	211.49	211.49
Transfer	(285.61)	(285.61)
<b>Balance as at March 31, 2020</b>	<b>40.30</b>	<b>40.30</b>
<b>Accumulated Amortisation</b>		
<b>Balance as at April 1, 2018</b>	-	-
Amortisation charge for the Year	-	-
<b>Balance as at March 31, 2019</b>	-	-
Amortisation charge for the Year	-	-
<b>Balance as at March 31, 2020</b>	-	-
Net Carrying Amount as at March 31, 2019	114.42	114.42
<b>Net Carrying Amount as at March 31, 2020</b>	<b>40.30</b>	<b>40.30</b>

5.1 Contents held by the Company are developed by Professional Subject Matter Experts, directly or indirectly. The Contents used by the Company has entity-specific value. The Contents are protected by legal rights or by a legal duty on employees to maintain confidentiality.

Aptech Limited - Standalone Financial Statements

**6. Investments : Non-current**

Particulars	Face Value of share	As at March 31, 2020		As at March 31, 2019	
		No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
<b>A. Investments at Cost</b>					
<b>Unquoted</b>					
<b>a. Investments in Equity Instruments</b>					
<b>Subsidiaries</b>					
Attest Testing Services Limited (Refer Note 6.4)	₹ 10	-	-	82,841	8.28
Maya Entertainment Limited (Refer Note 6.4)	₹ 10	2,77,24,948	6,082.63	2,76,42,107	6,074.35
Aptech Venture Limited (Refer Note 6.3)	1 Euro	3,45,245	231.40	3,45,245	231.40
Aptech Training Limited F.Z.E., Dubai	100000 AED	7	66.61	7	66.61
Aglsn Sdn.Bhd. Malaysia	1 RM	7,73,788	105.45	7,73,788	105.45
<b>Sub-total (a)</b>			<b>6,486.09</b>		<b>6,486.09</b>
<b>b. Investments in Preference Shares</b>					
<b>Subsidiaries</b>					
Aptech Venture Limited (Refer Note 6.1)	1 Euro	28,41,093	1,904.26	28,41,093	1,904.26
<b>Sub-total (b)</b>			<b>1,904.26</b>		<b>1,904.26</b>
<b>Sub-total (A)</b>			<b>8,390.35</b>		<b>8,390.35</b>
<b>B. Investments at Amortised cost</b>					
<b>Unquoted</b>					
<b>Investments in Preference Shares</b>					
Tata Capital Preference Shares (Refer Note 6.2)	₹ 1000.00	2,00,000	2,011.06	2,00,000	2,018.01
<b>Sub-total (B)</b>			<b>2,011.06</b>		<b>2,018.01</b>
<b>C. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</b>					
<b>Unquoted</b>					
Syntea Polland JV	.20 PLN	3,50,000	326.32	3,50,000	385.63
Handy Training Technologies	₹ 10.00	2,500	-	2,500	-
<b>Sub-total (C)</b>			<b>326.32</b>		<b>385.63</b>
<b>Total Non current Investment (A+B+C)</b>			<b>10,727.72</b>		<b>10,793.99</b>
Aggregate amount of quoted investments and market value thereof			-		-
Aggregate amount of unquoted investments			10,727.72		10,793.99
Aggregate amount of impairment in the value of investments			-		-

## **Aptech Limited - Standalone Financial Statements**

- 6.1** Investments in Redeemable Preference Shares issued by Aptech Venture Limited are redeemable at the option of the issuer. Thus, these Preference Shares are in the nature of "Equity Instruments".
- 6.2** Tata Capital Preference Shares are Fully Paid-up Non-Convertible Cumulative Redeemable Non-Participating Preference Shares ("CRPS"). The CRPS are redeemable after 7 years from the date of issue, i.e. July 12, 2017. The CRPS shall carry a preferential right with respect to ;
- i. Payment of dividend calculated at a fixed rate at 7.5 % p.a. on Face Value.
  - ii. Repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium.
- 6.3** The Company through its wholly owned step-down foreign subsidiary has investments of ₹ 10,813 Lakhs in equity instruments of BJBC China ('the Investee'). In the absence of availability of the audited financial statements of the investee to its investors for last about six years and other recent financial information (though appropriate petitions in jurisdictional court of Cayman Islands have been filed and favorable orders have been obtained), the wholly owned step-down subsidiary, at present, is not in position to measure the fair value of the investment in equity instruments of said investee and accordingly, it has carried the said investments carried at cost, being an appropriate estimate of fair value, in accordance with Annexure B on Application Guidance Para B5.2.3 to Ind AS 109 "Financial Instruments". Consequently, the Company has also continued to carry the investments in equity instruments of its immediately wholly owned subsidiary, Aptech Ventures Limited, at its cost of ₹ 2135.67 Lakhs.
- 6.4** Pursuant to the Scheme of Amalgamation ('the Scheme') approved by the National Company Law Tribunal, Mumbai Bench vide its Order dated February 28, 2020 Attest Testing Services Limited, a wholly owned subsidiary company of the Company, merged with Maya Entertainment Limited, another wholly owned subsidiary company of the Company, with effect from April 1, 2019, being the appointed date. The certified copy of the Order sanctioning the Scheme was filed with the Registrar of the Companies of the respective companies at Mumbai, on March 4, 2020 and at Pune on March 5, 2020.

On amalgamation, shares of Attest Testing Services Limited have been cancelled and Maya Entertainment Limited has allotted 82,841 new Equity Shares of face value of ₹ 10 per share to the Company, being 1 (one) Equity Share for every 1 (one) Equity Share of ₹ 10 each of each held by the Company Attest. Accordingly, the Company holds aggregate Equity Shares 2,77,24,948 in Maya against its earlier holdings of 2,76,42,107 Equity Shares. Since the date of the Balance Sheet, the name of the merged entity is changed to 'MEL TRAINING & ASSESSMENTS LIMITED'

**Aptech Limited - Standalone Financial Statements**

**7. Loans : Non-current**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Security Deposits	32.18	51.12
Loans and Advances to Related Parties (Refer Note 39)	13.93	20.33
Loans and Advances to Employees	8.20	5.89
<b>Loans Receivables which have significant increase in Credit Risk</b>	-	-
<b>Loans Receivables - Credit impaired</b>	-	-
<b>Total</b>	<b>54.31</b>	<b>77.34</b>

**8. Other Non-current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	2.22	0.35
Current Tax Assets (Net) (Refer Note 8.1)	1,112.67	635.97
Prepaid Expenses	9.71	7.36
<b>Total</b>	<b>1,124.60</b>	<b>643.68</b>

**8.1. Current Tax Assets (Net)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	635.97	130.74
Add : Net taxes paid during the Year	476.70	696.06
Less: Current Tax Expenses	-	190.83
<b>Total</b>	<b>1,112.67</b>	<b>635.97</b>

## Aptech Limited - Standalone Financial Statements

### 9. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Education and Training Materials ( Stock-in-Trade)	110.96	92.39
<b>Total</b>	<b>110.96</b>	<b>92.39</b>

9.1 The Cost of Inventories recognised as an expenses includes ₹ Nil (Previous year ₹ 13.12 Lakhs) in respect of write down of Inventory to net realisable value. There has been no reversal of such write down in current and previous year.

### 10. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
<b>Considered Good</b>		
Receivables from Related Parties (Refer Note 39)	1,114.79	834.09
Receivables from Others	5,031.05	4,750.65
<b>Credit impaired</b>	267.42	161.87
Less: Provision for Expected Credit Loss (Refer Note 10.2)	267.42	161.87
<b>Total</b>	<b>6,145.84</b>	<b>5,584.74</b>

#### Note :

10.1 Since the Company calculates impairment under the simplified approach for Trade Receivables, it is not required to separately track changes in credit risk of Trade Receivables as the impairment amount represents —Lifetime Expected Credit Loss. Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III, the disclosure for all such Trade Receivables is made as shown above.

## Aptech Limited - Standalone Financial Statements

**10.2** In determining the allowances for credit losses of Trade Receivables (as also for Unbilled Revenue), the Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. The Company estimates the following matrix at the reporting date.

Particulars	Ageing				
	1-90 days	91-180 days	181-365 days	365-730 days	Above 730 days
Default Rate *	1.00%	2.50%	5.00%	20.00%	27.00%

\* In case of probability of non-collection, default rate is 100%

### Movement in the Expected Credit Loss Allowance: ("ECL") :

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the Year</b>	161.87	650.94
Add: Allowance for Expected Credit Loss during the year	800.47	324.29
Less: Bad Debts Written off during the year	694.92	813.36
<b>Balance at the end of the Year</b>	<b>267.42</b>	<b>161.87</b>

### 11. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	1.41	1.08
Balance with Banks in		
Current Account	144.04	396.09
EEFC Accounts	6.58	69.54
<b>Total</b>	<b>152.03</b>	<b>466.71</b>

## Aptech Limited - Standalone Financial Statements

### 12. Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked Balances (Unpaid Dividend)	181.03	178.06
Bank Deposits (With Original Maturity more than 3 months and within 12 months)	593.93	2,012.93
<b>Total</b>	<b>774.96</b>	<b>2,190.99</b>

**12.1** Cash at banks earns interest at floating rates based on time deposit rates. Short-term deposits are made for varying periods of between three months and twelve month, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

**12.2** At March 31, 2020, the Company had available ₹ NIL Lakhs (Previous Year: ₹ 69.74 Lakhs) of undrawn committed borrowing facilities.

**12.3** Bank deposits include restricted balances of ₹ 593.93 Lakhs (Previous Year: ₹1012.97 Lakhs). The restriction are primarily on account of cash and bank balances held as margin money deposits against guarantees and overdraft facility.

**12.4** There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the current year and previous year.

### 13. Loans : Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Loans and Advances to Related Parties (Refer Note 39)	11.50	941.79
Loans and Advances to Employees	64.24	67.85
Security Deposits		
Earnest Money Deposit	101.54	100.64
Other Deposits	124.04	110.65
<b>Total</b>	<b>301.32</b>	<b>1,220.93</b>

## Aptech Limited - Standalone Financial Statements

### 13.1. Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in Lakhs)

Name of the company	Nature of Company	Balances		Maximum outstanding	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Attest Testing Services Limited (Refer Note 6.4)	Subsidiary	-	913.26	-	1,278.13
Maya Entertainment Limited (Refer Note 6.4)	Subsidiary	-	17.61	-	214.34
Aptech Venture Limited	Subsidiary	5.41	5.41	5.41	5.41
<b>Total</b>		<b>5.41</b>	<b>936.28</b>		

### 13.2. Disclosure pursuant to Section 186 of the Companies Act, 2013

(₹ in Lakhs)

Particulars	Nature of Company	Purpose for which the loan and advances to be utilised by the recipient	As at March 31, 2020	As at March 31, 2019
Attest Testing Services Limited (Refer Note 6.4)	Subsidiary	Working Capital and Project Funding	-	913.26
Maya Entertainment Limited (Refer Note 6.4)	Subsidiary	Working Capital	-	17.61
Aptech Venture Limited	Subsidiary	Working Capital	5.41	5.41
<b>Key Managerial Personnel</b>				
Mr. Anuj Kacker		Personal Loan	20.02	25.84
			<b>25.43</b>	<b>962.12</b>

## Aptech Limited - Standalone Financial Statements

### 14. Other Financial Assets : Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled Revenue (Refer Note 14.1)	914.68	1,481.38
Less : Allowance for Expected Credit Loss		
Balance at the beginning of the Year	706.48	136.00
Allowance for Expected Credit Loss during the Year	7.09	570.48
	201.11	774.90
Interest Receivable	43.73	19.93
Bank Deposits (remaining maturity of less than 12 months ) (Refer Note 14.2)	771.00	-
<b>Total</b>	<b>1,015.84</b>	<b>794.83</b>

**14.1** Unbilled Revenue is revenue that is yet to be invoiced for services already delivered. The budgeted efforts have been expended (and therefore the revenue has been recognised) and yet, no invoice has been raised. While this could happen due to several reasons, the most common one is the customer delay in acceptance of the deliverables and in rare cases non-acceptance .

**14.2** Bank deposits (remaining maturity of less than 12 months ) as of March 31, 2020 include restricted balances of ₹ 771 Lakhs (Previous Year: Nil). The restriction are primarily on account of cash and bank balances held as margin money deposits against guarantees and overdraft facility.

### 15. Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to Suppliers	113.31	50.17
Prepaid Gratuity	-	43.90
Prepaid Expenses	160.30	141.41
Balances with Government Authorities (Refer Note 15.1)	335.36	265.88
<b>Total</b>	<b>608.97</b>	<b>501.36</b>

**15.1** Includes Input Tax Credit of GST, Service Tax claimed in Trans 1 and VAT.

## Aptech Limited - Standalone Financial Statements

### 16. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31,2019
<b>Authorised Equity Share Capital</b>		
6,00,00,000 ( Previous Year : 6,00,00,000) Equity Shares of ₹ 10 each	6,000.00	6,000.00
<b>Issued, Subscribed and Paid up</b>		
4,02,54,554 (Previous Year : 3,98,93,560, ) Equity shares of ₹ 10 each	4,025.46	3,989.36
<b>Total</b>	<b>4,025.46</b>	<b>3,989.36</b>

### Movements in Equity Share Capital

Issued, Subscribed and Paid up

Particulars	As at March 31, 2020		As at March 31,2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
	<b>Balance at the beginning of the year</b>	<b>3,98,93,560</b>	<b>3,989.36</b>	<b>3,98,93,560</b>
Add: Shares issued during the year on exercise of Employee Stock Options	3,60,994	36.10	-	-
<b>Balance at the end of the year</b>	<b>4,02,54,554</b>	<b>4,025.46</b>	<b>3,98,93,560</b>	<b>3,989.36</b>

**16.1** 22,542 Global Depository Receipts of erstwhile Aptech Limited (hereinafter "Old GDRs") (Previous Year : 22,542) representing 11,271 (Previous Year: 11,271) underlying equity shares (2 GDR equals 1 Equity Share ) of face value ₹ 10/- each are outstanding.

**16.2** The Company has allotted 3,60,994 Equity Shares for the year ended March 31, 2020 (Previous Year : NIL) pursuant to the exercise of options under Aptech Limited - Employee Stock Option Plan 2016.

## Aptech Limited - Standalone Financial Statements

### Terms and Rights attached to Equity Shares

- i. Equity Shares have a par value of ₹ 10. Equity Shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held after distribution of all preferential amounts.
- ii. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.
- iii. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General meeting, except in case of interim dividend.

### 16.3 Details of shareholders holding more than 5% of shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Rare Equity Private Limited	84,43,472	20.98	84,43,472	21.17
Rakesh Jhunjunwala	50,94,100	12.65	50,94,100	12.77
Rekha Jhunjunwala	45,74,740	11.36	45,74,740	11.47

### 16.4 Details of Share reserved for issue under Option Outstanding at the end of the Year

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity Shares reserved for ESOP*	6,96,040	69.60	9,67,692	96.77

\* For terms of ESOP, Refer Note 31

## Aptech Limited - Standalone Financial Statements

<b>17. Other Equity</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	
Share Application Money pending Allotment	0.50	-	
Capital Redemption Reserve	1,774.59	1,774.59	
Securities Premium Account			
Opening balance	8,977.20	8,977.20	
Add : Premium received on exercise of Employee Stock Options	602.36	-	
Closing Balance	<u>9,579.56</u>	<u>8,977.20</u>	
Share Options Outstanding Account			
Opening balance	1,501.85	1,807.89	
Add : Share-based Payments to Employees	507.08	(306.04)	
Less : Employee Stock Options Exercised	396.60	-	
Closing Balance	<u>1,612.33</u>	<u>1,501.85</u>	
General Reserves	624.98	624.98	
Retained Earnings			
Opening balance	6,079.01	7,263.29	
Add : Profit/(Loss) for the year	20.81	519.83	
Less : Interim Dividend	3,207.74	1,396.27	
Less : Corporate Tax on Interim Dividend	659.46	287.06	
Less : Other Comprehensive Income for the year (Net of Income Tax)	106.63	20.78	
Closing Balance	2,125.99	6,079.01	
Equity Instruments through Other Comprehensive Income			
Opening balance	120.40	(38.66)	
Add : Current Year Provision	(59.31)	159.06	
Closing Balance	61.09	120.40	
<b>Total</b>	<b><u>15,779.05</u></b>	<b><u>19,078.03</u></b>	

## **Aptech Limited - Standalone Financial Statements**

### **Share Application Money pending Allotment**

It represents share application money received from employees on exercise of stock options for which allotment of 750 equity shares (Previous Year : NIL ) is pending as at the year end.

### **Capital Redemption Reserve**

The Capital Redemption Reserve is created by transferring Nominal Value of the Owned Equity shares purchased out of Free Reserves or Securities Premium account. The Reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

### **Securities Premium Account**

The Securities Premium Account is used to record the premium on issue of shares. The Reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

### **Share Options Outstanding Account**

The Share Option Outstanding Account is used to recognise the Grant date Fair Value of option issued to employees under the Aptech Limited - Employee Stock Option Plan 2016 (ESOPs). The amounts recorded in this account are transferred to securities premium upon exercise of stock options by employees.

### **General Reserves**

The General Reserve is created from time to time on transfer of profits from Retained Earnings. General Reserve is created by transfer from one component of equity to another and is not an item of Other Comprehensive Income, items included in General Reserve will not be reclassified subsequently to Profit and Loss.

### **Retained Earnings**

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings.

The Board of Directors at its meeting held on March 7, 2020 have recommended and paid an Interim dividend of 45% (₹ 4.50 per Equity Share of par value ₹ 10 each) for the year ended March 31, 2020 which has resulted in a cash outflow of ₹ 2183.87 Lakhs, inclusive of Dividend Distribution tax . The Board of Directors at its meeting held on May 21, 2019 had recommended and paid an interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) for the year ended March 31, 2019 which resulted in a cash outflow of ₹ 1683.33 Lakhs, inclusive of Dividend Distribution Tax.

The Board of Directors also at its meeting held on May 30, 2018 had recommended and paid an interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) for the year ended March 31, 2018 which resulted in a cash outflow of ₹ 1683.33 Lakhs, inclusive of Dividend Distribution Tax.

### **Equity Instruments through Other Comprehensive Income**

As per Ind AS 109, companies have an option to designate investments in equity instruments to be measured at FVTOCI. For such instruments, the cumulative fair value gain or loss is presented as a part of Other Equity.

## Aptech Limited - Standalone Financial Statements

### 18. Lease Liabilities : Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	146.48	-
<b>Total</b>	<b>146.48</b>	<b>-</b>

### 19. Provisions : Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefit Obligations (Refer Note 21)		
Compensated Leave Absences	191.19	176.65
<b>Total</b>	<b>191.19</b>	<b>176.65</b>

### 20. Borrowings : Current

#### 20.1 Borrowings : Bank

(₹ in Lakhs)

Particulars	Term of repayment	Coupon / interest rate	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>				
Borrowings from Banks	Payable on demand against Fixed Deposit	9.87 % (variable)	1,105.82	-
	(Refer Note 12.3 and 14.2 )			
<b>Total</b>			<b>1,105.82</b>	<b>-</b>

#### 20.2 Borrowings : Related Party

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Loans from Subsidiary ( Maya Entertainment Limited)	699.86	-
<b>Total</b>	<b>699.86</b>	<b>-</b>

## Aptech Limited - Standalone Financial Statements

### 21. Employee Benefit Obligations

Particulars	(₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity (Funded)	7.19	-	-	-
Compensated Leave Absences (Unfunded)	35.84	191.19	33.75	176.65
<b>Total</b>	<b>43.03</b>	<b>191.19</b>	<b>33.75</b>	<b>176.65</b>

#### i. Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 35.84 Lakhs (Previous year ₹ 33.75 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

#### ii. Post-Employment Obligations

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately multiplied for the number of years of service as per the Scheme.

#### iii. Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Amount recognized as an expense during the period towards defined contribution plan is ₹ 218.07 Lakhs ( Previous year : ₹ 230.75 Lakhs).

## Aptech Limited - Standalone Financial Statements

### Balance Sheet Amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefits obligation over the year are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
<b>As at April 1</b>	<b>582.53</b>	<b>(626.43)</b>	<b>(43.90)</b>	<b>553.81</b>	<b>(580.49)</b>	<b>(26.68)</b>
Interest Expense/(Income)	44.77	(48.17)	(3.40)	43.64	(45.74)	(2.10)
Current Service Cost	52.87	-	52.87	58.29	-	58.29
<b>Total Amount recognised in Profit and Loss</b>	<b>97.64</b>	<b>(48.17)</b>	<b>49.47</b>	<b>101.93</b>	<b>(45.74)</b>	<b>56.19</b>
Return on Plan Assets, excluding amounts included in interest	-	15.22	15.22	-	2.62	2.62
Remeasurements						
(Gain)/Loss from change in financial assumptions	4.01	-	4.01	8.02	-	8.02
Experience (gains)/losses	87.40	-	87.40	17.95	-	17.95
<b>Total amount recognised in Other Comprehensive Income</b>	<b>91.41</b>	<b>15.22</b>	<b>106.63</b>	<b>25.97</b>	<b>2.62</b>	<b>28.59</b>
Employer Contributions	-	(105.00)	(105.00)	-	(102.00)	(102.00)
Benefit Payments	(188.48)	188.48	-	(99.18)	99.18	-
<b>As at March 31</b>	<b>583.10</b>	<b>(575.90)</b>	<b>7.19</b>	<b>582.53</b>	<b>(626.43)</b>	<b>(43.90)</b>

#### iv. Category of Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance fund	575.90	626.43
<b>Total</b>	<b>575.90</b>	<b>626.43</b>

## Aptech Limited - Standalone Financial Statements

### v. Post-Employment Benefits (Gratuity)

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.83%	7.69%
Attrition rate		
For ages 29 years and below	10.00%	10.00%
For ages 30 years to 39 years	8.00%	8.00%
For ages 40 years to 49 years	4.00%	4.00%
For ages 50 years and above	1.00%	1.00%
Salary escalation rate	5.00%	5.75%

### Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Projected Benefits Obligation on Current Assumptions	583.10	582.24
Delta Effect of +1% Change in Rate of Discounting	(39.37)	(40.25)
Delta Effect of -1% Change in Rate of Discounting	44.82	45.65
Delta Effect of +1% Change in Rate of Salary Increase	45.20	46.07
Delta Effect of -1% Change in Rate of Salary Increase	(40.37)	(41.30)
Delta Effect of +1% Change in Rate of Employee Turnover	4.20	4.54
Delta Effect of -1% Change in Rate of Employee Turnover	(4.81)	(5.16)

### Additional Details

<b>Methodology Adopted for Assured Life Mortality (ALM)</b>	Projected Unit Credit Method
<b>Usefulness and Methodology adopted for Sensitivity Analysis</b>	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count.  This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis

## Aptech Limited - Standalone Financial Statements

### vi. Maturity Analysis of Projected Benefits Obligation: From the Fund

Maturity Analysis of Projected Benefits Obligation is done considering future salary, attrition & death in respective year for members.

(₹ in Lakhs)					
Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at March 31, 2020</b>					
Defined Benefits obligation (Gratuity)	68.21	73.81	106.90	819.71	1,068.63
<b>As at March 31, 2019</b>					
Defined Benefits obligation (Gratuity)	64.61	19.21	110.88	979.37	1,174.07

### Risk exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

#### 1. Liability Risks

##### a. Asset-liability Mismatch Risk -

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

##### b. Discount Rate Risk -

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### c. Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 2. Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances, funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

#### Note:

The obligation of Leave Encashment is provided for on actuarial valuation by an independent valuer and the same is unfunded. The amount recognised in the Statement of Profit and Loss for the year is ₹ 52.06 Lakhs ( Previous year : ₹ 59.88 Lakhs).

## Aptech Limited - Standalone Financial Statements

### 22. Trade Payables (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Outstanding Due of Micro, Small and Medium sized Enterprise (MSME)	-	-
Trade Payables to Related Parties (Refer Note 39)	29.62	2.92
Total Outstanding Dues Of Creditors Other than MSMEs (Refer Note 22.1)	1,249.20	1,411.95
<b>Total</b>	<b>1,278.82</b>	<b>1,414.87</b>

**22.1** The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

### 23. Lease Liabilities : Current (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	304.45	-
<b>Total</b>	<b>304.45</b>	<b>-</b>

### 24. Other Financial Liabilities : Current (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Creditors	7.91	241.43
Liability for Expenses	939.99	739.15
Security Deposits	102.74	102.49
Unclaimed Dividends	181.13	178.16
<b>Total</b>	<b>1,231.77</b>	<b>1,261.23</b>

## Aptech Limited - Standalone Financial Statements

### 25. Provisions : Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefit Obligations (Refer Note 21)		
Gratuity	7.19	-
Compensated Leave Absences	35.84	33.75
<b>Total</b>	<b>43.03</b>	<b>33.75</b>

### 26. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Received from Customers (Refer Note 26.1)	75.16	87.81
Unearned Revenue (Refer Note 26.2)	25.99	83.74
Statutory Dues Payable	152.02	94.87
Other Liabilities	6.44	3.83
<b>Total</b>	<b>259.61</b>	<b>270.25</b>

**26.1** Advance collections are recognised when payment is received before the related performance obligation is satisfied. This includes advance received from the customer towards event fees, course-ware fees, etc. Revenue is recognised as the related services are performed, that is on completion of performance obligation. Considering the nature of business of the Company, the above contract liabilities generally materializes as revenue within the same operating cycle.

**26.2** Unearned Revenue is invoice raised in advance for services yet to be delivered. In other words, the underlying services are yet to be given.

## Aptech Limited - Standalone Financial Statements

### 27. Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a. Revenue from Sales and Services	10,995.34	11,137.80
b. Inter Segment Income	3,163.50	2,940.22
<b>Total (a+b)</b>	<b>14,158.84</b>	<b>14,078.02</b>

#### 27.1 Disaggregate Revenue

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue based on Services		
a. Training and Education	9,875.50	9,895.82
b. Assessment Solution	4,283.34	4,182.20
	<b>14,158.84</b>	<b>14,078.02</b>
Revenue based on type of customers		
a. Government	3,645.25	3,443.68
b. Non-Government	10,513.59	10,634.34
	<b>14,158.84</b>	<b>14,078.02</b>
Revenue based on Geography		
a. India	12,049.18	11,811.82
b. Outside India	2,109.66	2,266.20
	<b>14,158.84</b>	<b>14,078.02</b>

#### 27.2 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

The company did not have any volume discounts, service level credits, performance bonuses, price concessions, incentives, etc and hence there is no reconciliation required.

## Aptech Limited - Standalone Financial Statements

### 28. Other Income (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
On Deposits with Banks	145.80	126.53
On Employee Loans	4.28	3.84
On Others (Tax refund)	35.07	-
Dividend On Financial Assets Mandatorily measured at Amortised Cost	143.04	143.15
Dividend From Subsidiary Company	-	78.44
Net gain on sale of Units of Mutual funds measured at FVTPL	-	10.37
Excess Provision Written back	49.24	42.66
Net Gain on Foreign Exchange Differences	32.81	60.97
Net Gain on Sale of Property, Plant and Equipment	-	4.40
Miscellaneous Income	2.33	0.20
<b>Total</b>	<b>412.57</b>	<b>470.56</b>

### 29. Changes in Inventories of Stock-in-Trade (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Opening Stock</b>		
Traded Goods	92.39	42.64
<b>Less: Closing Stock</b>		
Traded Goods	110.96	92.39
<b>Total</b>	<b>(18.57)</b>	<b>(49.75)</b>

## Aptech Limited - Standalone Financial Statements

### 30. Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Incentives and Allowances	4,150.65	4,627.42
Contribution to Provident and Other Funds	218.07	230.75
Compensated Leave Absences	52.06	59.88
Gratuity Expenses	43.33	52.60
Staff Welfare Expenses	124.63	93.49
<b>Total</b>	<b>4,588.74</b>	<b>5,064.14</b>

**30.1** Gratuity Expenses are after capitalising the sum of ₹ 6.14 Lakhs (Previous year ₹ 3.59 Lakhs ) to Contents .

**30.2** The above includes Managerial Remuneration to Managing Director ('MD') and Wholetime Director ('WTD') as disclosed hereunder ;

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Incentives and Allowances	371.32	375.92
Contribution to Provident and Other Funds	21.30	19.72
<b>Total</b>	<b>392.62</b>	<b>395.64</b>

Liabilities for gratuity and leave encashment at the end of tenure has not been considered for calculation of Managerial Remuneration as per Section IV of schedule V of Companies Act, 2013.

During the Financial Year 2014-15, the Company had paid Managerial Remuneration in excess of limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 to the erstwhile Managing Director. Based on the approval received from the Central Government, the Company is recovering the excess remuneration of ₹ 73.92 Lakhs, of which ₹ 49.06 Lakhs has already been recovered.

## Aptech Limited - Standalone Financial Statements

### 31. Share-Based Payment to Employees

Employee Option Scheme :

The Members of the Company at its Annual General Meeting held on September 27, 2016 approved the Aptech Limited -Employee Stock Option Plan 2016 . The Aptech Limited -Employee Stock Option Plan 2016 is designed to provide incentives to eligible directors and employees of the Company and its subsidiaries, the details of which are given here under:

<b>i. Details of Option Granted and date of Option Granted :</b>		<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	
<b>Tranche</b>	<b>Grant Date</b>	<b>No. of Option Granted</b>	<b>Exercised during the Year</b>	<b>Exercised during the Year</b>
I	27-09-2016	17,38,190	3,49,294	-
II	19-10-2016	45,405	11,700	-
III	24-01-2017	88,500	-	-
IV	24-05-2017	19,500	-	-
V	31-07-2017	15,000	-	-
VI	09-11-2017	93,366	-	-
VII	07-02-2018	66,000	-	-
VIII	26-07-2018	27,000	-	-
<b>Total No of Share Granted</b>		<b>20,92,961</b>	<b>3,60,994</b>	<b>-</b>
<b>Grant Price (per share)</b>	67.00			
<b>Graded Vesting Plan</b>	Options granted shall vest in various tranches i.e. 30% of the options granted shall vest in the third year, 30% of the options granted shall vest in the fourth year and balance 40% of the options granted shall vest in the fifth year			
<b>Maximum Exercise Period</b>	7 years from the date of grant			

**Aptech Limited - Standalone Financial Statements**

**ii. Set out below is a summary of options granted under the plan:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Average exercise price per share option	Number of units	Average exercise price per share option	Number of units
Opening Balance	67.00	21,61,667	67.00	44,19,620
Add : Granted during the year	67.00	-	67.00	27,000
Less : Exercised during the year	67.00	3,60,994	67.00	-
Less : Lapsed during the year	67.00	68,706	67.00	22,84,953
Closing Balance	67.00	17,31,967	67.00	21,61,667
Vested and Exercisable	67.00	1,56,994	67.00	

**iii. Share options outstanding at the end of the year have the following expiry date:**

Date of Grants	Exercise Date		Vesting Dates	
27-09-2016	26-09-2019	25-09-2020	25-09-2021	25-09-2022
19-10-2016	18-10-2019	17-10-2020	17-10-2021	17-10-2022
24-01-2017	23-01-2020	22-01-2021	22-01-2022	22-01-2023
24-05-2017	23-05-2020	22-05-2021	22-05-2022	22-05-2023
31-07-2017	30-07-2020	29-07-2021	29-07-2022	29-07-2023
09-11-2017	08-11-2020	07-11-2021	07-11-2022	07-11-2023
07-02-2018	06-02-2021	05-02-2022	05-02-2023	05-02-2024
26-07-2018	25-07-2021	24-07-2022	24-07-2023	24-07-2024

## Aptech Limited - Standalone Financial Statements

### iv. Fair Value of Options Granted

The Fair Value of options granted during under the ESOP Scheme :

Date of Grant	Option fair valuation (in ₹)	Exercise Price (in ₹)
27-09-2016	176.55	67.00
19-10-2016	186.17	67.00
24-01-2017	202.56	67.00
24-05-2017	194.29	67.00
31-07-2017	207.94	67.00
09-11-2017	324.18	67.00
07-02-2018	262.04	67.00
26-07-2018	257.81	67.00

The fair value at grant date is determined by a valuer using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

### v. The fair value of each option is estimated on the date of grant based on the following assumptions :

Particulars	Grant Date	Volatility *	Risk Free rate	Dividend Yield	Life of the Option
Tranche - I	27-09-2016	0.43	6.95	1.22	4.5
Tranche - II	19-10-2016	0.43	6.83	1.15	4.5
Tranche - III	24-01-2017	0.45	6.60	1.05	4.5
Tranche - IV	24-05-2017	0.46	6.93	1.62	4.5
Tranche - V	31-07-2017	0.46	6.66	1.96	4.5
Tranche - VI	09-11-2017	0.47	6.84	0.94	4.5
Tranche - VII	07-02-2018	0.47	7.53	1.18	4.5
Tranche - VIII	26-07-2018	0.49	8.05	1.40	4.5

\* Historical Volatility of the Equity Shares of the Company over the relevant previous 4.5 years

## Aptech Limited - Standalone Financial Statements

### vi. Expense arising from Share-Based Payment Transactions

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
ESOP Compensation Cost (Net) *	450.61	(352.19)
<b>Total</b>	<b>450.61</b>	<b>(352.19)</b>

\* The Company granted 44,32,620 Stock options to its employees under Aptech Limited - Employee Stock Option Plan 2016 (ESOPs) to vest on fulfilling certain conditions at the end of 3rd, 4th and 5th Year from the date of grant and accordingly, has been recognising compensation expenses of such options under 'Employees Benefits Expenses' as 'Share Based payment to Employees'. During the previous financial year ended March 31, 2019, the Company estimated that 22,84,953 ESOPs would not vest and accordingly, compensation expense for the year ended March 31, 2019 results reflected reversal of ₹ 352.19 Lakhs (Net) against Share Based Payment to Employees (ESOP cost) of ₹ 450.61 Lakhs.

### 32. Finance Costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense :		
On Working Capital Demand Loans Facility	54.78	8.83
On Lease Liabilities - Right-of-Use	39.84	
On Commitment and Finance Charges	-	0.35
Other borrowing costs	27.44	-
<b>Total</b>	<b>122.06</b>	<b>9.18</b>

## Aptech Limited - Standalone Financial Statements

### 33. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Education, Training Expenses and Course Materials	164.84	179.94
Course Execution Charges	3,367.09	3,959.73
Advertisement Expenses	1,744.05	947.75
Electricity Charges	89.74	108.78
Rental Charges (Refer Note 42 )	53.40	390.87
Repairs and Maintenance:		
Plant and Machinery	23.60	12.93
Buildings	4.24	9.93
Others	82.38	57.46
Travelling and Conveyance	663.85	638.07
Communication Expenses	193.13	166.03
Rates and Taxes	19.26	20.68
Insurance	19.52	17.66
Safety And Security	194.31	209.38
Legal and Professional Fees	324.25	321.92
Loss on Sale / Write off of Assets (net)	3.51	-
Printing and Stationery	33.74	29.97
Director's Commission	5.42	11.50
Director's Sitting Fees	12.60	12.60
Payment to Auditors:		
Statutory Audit	14.80	16.06
Tax Audit	5.50	5.45
Limited Review	6.00	6.00
Other Services	1.05	1.33
Out of Pocket Expense	1.42	1.16
Corporate Social Responsibility Expenditure (Refer Note 33.1)	24.52	19.89
GST Expenses	53.00	160.95
Bad Debts Written off	1,109.61	813.50

## Aptech Limited - Standalone Financial Statements

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Allowance for Expected Credit Loss (Net)	112.64	81.41
Miscellaneous Expenses	121.06	99.99
<b>Total Other Expenses</b>	<b>8,448.53</b>	<b>8,300.94</b>

### 33.1 Corporate Social Responsibility Expenditure (CSR)

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
A. Gross amount required to be spent by the Company	23.60	29.45
B. Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year		
For Any Other purpose	24.52	19.89

The Company has constituted a CSR committee as required under Section 135 of the Act, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). The Company has formulated the CSR policy and has identified the CSR initiatives as also methodology for spending the same to ensure appropriate end use of funds so spent.

**Aptech Limited - Standalone Financial Statements**

**34. Taxation**

**a. Income Tax Expense** (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income Tax Expense Charged/(Credited) to Profit and Loss account</b>		
Current Tax Expenses	-	198.64
Deferred Tax Expenses	(67.86)	(19.67)
<b>Sub-total</b>	<b>(67.86)</b>	<b>178.97</b>
<b>Other Comprehensive Income</b>		
Items that will not be reclassified to Profit and Loss		
Current Tax Expenses		
Loss on Remeasurement of Defined Benefit Plan	-	(7.81)
<b>Sub-total</b>	<b>-</b>	<b>(7.81)</b>
<b>Total</b>	<b>(67.86)</b>	<b>171.16</b>

**b. Reconciliation of tax expense and accounting profit multiplied by tax rate applicable in India :** (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) from Operations Before Income Tax Expense	(47.05)	698.80
Corporate Tax Rate as per Income Tax Act, 1961	27.82%	27.82%
<b>Tax on Accounting profit</b>	<b>-</b>	<b>194.41</b>
<b>Tax on Income Exempt From Tax:</b>		
Preference Dividend Income	-	(39.82)
<b>Tax on Expenses not Tax Deductible:</b>		
CSR Expenses	-	5.53
Expenses in Relation to Exempt Income	-	1.34
Other Items	-	0.09
Income subject to different tax rate		
Effect of different tax rate on Deferred Tax	(50.70)	41.22
Temporary differences & reversals thereof on which no deferred tax is recognised	(17.16)	(13.74)
Effect of previously unrecognised Unabsorbed Depreciation	-	-
Difference on account of Special Tax Rate	-	(10.06)
<b>Income tax expense</b>	<b>(67.86)</b>	<b>178.97</b>
<b>Effective tax rate</b>	<b>-</b>	<b>25.61%</b>

## Aptech Limited - Standalone Financial Statements

### c. Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to :

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Assets</b>		
Gratuity	2.09	-
Leave Encashment	66.11	61.27
Property Plant and Equipment and Intangible Assets	27.66	6.72
MAT credit entitlement (Net)	1,290.33	1,290.33
	<b>1,386.19</b>	<b>1,358.32</b>
Other Items		
Allowance of Expected Credit Loss on Trade Receivables	285.66	252.86
Right-of-use Assets	4.30	-
Unabsorbed Depreciation	2.89	-
	<b>292.85</b>	<b>252.86</b>
<b>Total Deferred Tax Assets</b>	<b>1679.04</b>	<b>1611.18</b>
<b>Deferred Tax Liabilities</b>	-	-
<b>Total Deferred Tax Liabilities</b>	-	-
<b>Net Deferred Tax Assets</b>	<b>1679.04</b>	<b>1611.18</b>

### Movement in Deferred Tax Assets/ (Liabilities)

(₹ in Lakhs)

Particulars	Property , Plant and Equipment and other Intangible assets	Defined Benefits Obligations	Utilisation of MAT Credit entitlement	Other Items	Total Deferred Tax Assets
<b>As at April 1, 2018</b>	<b>(43.26)</b>	<b>69.44</b>	<b>1,354.83</b>	<b>275.00</b>	<b>1,656.01</b>
(Charged)/credited :					
To Statement of Profit and Loss	49.98	(8.17)	-	(22.15)	19.67
To Balance Sheet	-	-	(64.50)	-	(64.50)
<b>As at March 31, 2019</b>	<b>6.72</b>	<b>61.27</b>	<b>1,290.33</b>	<b>252.85</b>	<b>1,611.18</b>
(Charged)/credited :					
To Statement of Profit and Loss	20.94	6.93	-	39.99	67.86
To Balance Sheet	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>27.66</b>	<b>68.20</b>	<b>1,290.33</b>	<b>292.84</b>	<b>1,679.04</b>

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The Company had paid Minimum Alternate Tax (MAT) under the provisions of Income-tax Act, 1961 in earlier years for which the Company is entitled to MAT Credit and is allowed to be carried forward the same to be available for set off against the future tax liabilities. Considering reasonable certainty of the estimation of future profits, the Company had recognised MAT Credit Entitlement to the extent of ₹ 1,290.33 Lakhs. The said MAT Credit entitlement, then recognised, being unused tax credit, is reflected as a deferred tax asset (DTA) to the extent that it is probable that future taxable profit will be available against which such unused tax credits can be utilised. As on March 31, 2020, the Company has not recognised DTA of ₹ 2,983.44 Lakhs for unused tax credit in the form of MAT Credit Entitlement.

Unabsorbed depreciation has arisen during the year, which is allowed to be carried forward for indefinite period and available for set off against future taxable profits which may arise from operations of the Company. For such unused tax losses in the form of unabsorbed depreciation, the Company has recognised DTA of ₹ 2.89 Lakhs.

Since it is not probable that the Company would have future taxable profits against which unused tax losses in the form of long-term capital losses could be set off and accordingly, no DTA is recognised against long-term capital loss of ₹ 142.53 lakhs (Previous Year : ₹ 1,146.39 Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unused MAT Credit Entitlement which expires in FY 2024-25	1,290.33	1,290.33
<b>Total</b>	<b>1,290.33</b>	<b>1,290.33</b>

During the year, Deferred Tax Assets have not been recognised on following :

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unused Tax Losses (Long-term Capital Loss) which expires in		
FY 2019-20	-	1,003.86
FY 2020-21	72.75	72.75
FY 2021-22	69.78	69.78
<b>Total</b>	<b>142.53</b>	<b>1,146.39</b>

## Aptech Limited - Standalone Financial Statements

### 35. Fair value measurement

#### Financial Instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	326.32	6,486.09	-	385.63	6,486.09
Preference Shares	-	-	3,915.32	-	-	3,922.28
Trade and Other Receivables	-	-	6,145.84	-	-	5,584.74
Loans	-	-	355.63	-	-	1,298.27
Cash and Cash Equivalents	-	-	152.03	-	-	466.71
Bank balances other than cash and cash equivalents	-	-	774.96	-	-	2,190.99
Other Current Financial Assets	-	-	1,015.84	-	-	794.83
<b>Total Financial Assets</b>	<b>-</b>	<b>326.32</b>	<b>18,845.71</b>	<b>-</b>	<b>385.63</b>	<b>20,743.91</b>
<b>Financial Liabilities</b>						
Borrowings			1,805.68	-	-	-
Trade payables	-	-	1,278.82	-	-	1,414.87
Lease Liabilities	-	-	450.93	-	-	-
Other Financial Liabilities	-	-	1,231.77	-	-	1,261.23
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,767.20</b>	<b>-</b>	<b>-</b>	<b>2,676.10</b>

#### Fair Value of Financial Assets measured at amortised cost:

##### i. Financial Assets measured at amortised cost:

The Carrying amounts of Trade and Other Receivables and Cash and Cash equivalents are considered to be the same as their fair values, due to their short term nature. The Carrying amounts of loans are considered to be close to their fair values.

##### ii. Financials Liabilities measured at amortised cost:

The Carrying amount of Trade and Other Payables are considered to be the same as their fair values due to their short term nature.

## Aptech Limited - Standalone Financial Statements

### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table :

### Financial Assets and Financial Liabilities measured at Fair Value Through

As at March 31, 2020	Profit and Loss			Other Comprehensive Income			(₹ in Lakhs)
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Equity Instruments				-	-	326.32	<b>326.32</b>
<b>Total</b>	-	-	-	-	-	<b>326.32</b>	<b>326.32</b>

As at March 31, 2019	Profit and Loss			Other Comprehensive Income			(₹ in Lakhs)
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Equity Instruments	-	-	-	-	-	385.63	<b>385.63</b>
<b>Total</b>	-	-	-	-	-	<b>385.63</b>	<b>385.63</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and units of mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The units of mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## Aptech Limited - Standalone Financial Statements

### Valuation techniques used to determine Fair Value

Specific Valuation Techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.

### Details of assets considered under Level 3 classification

Particulars	(₹ in Lakhs)
	<b>Investments in equity instruments</b>
	<b>Syntea Polland</b>
<b>Opening balance as on April 1, 2018</b>	<b>226.57</b>
Gain/(loss) recognised in Other Comprehensive Income	159.06
<b>Closing balance as on March 31, 2019</b>	<b>385.63</b>
Gain/(loss) recognised in Other Comprehensive Income	(59.31)
<b>Closing balance as on March 31, 2020</b>	<b>326.32</b>

Item	Valuation technique	Significant unobservable inputs	As at March 31, 2020		As at March 31, 2019	
			Movement by	₹ in Lakhs	Movement by	₹ in Lakhs
<b>Investments in Unquoted Equity Instruments</b>						
Syntea Polland	Comparable Companies Multiples Method (CCM) Refer Note 35.1	Revenue multiple	0.17x	26.63	0.11x	29.54

**35.1** Comparable Companies Multiples Method (CCM): An approach that entails looking at market quoted price of comparable companies and converting that into the relevant multiples. The relevant multiple after adjusting for factors like size, growth, profitability, etc is applied to the relevant financial parameter of the subject company.

## Aptech Limited - Standalone Financial Statements

### 36. Financial Risk Management

The Company's activities expose it to business risk, interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Company's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. Company's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Company's operating units. The board provides guidance for overall risk management, as well as policies covering specific areas.

The table below gives the summarised view of the financial risk managed by the Company :

Risk	Risk Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and Cash Equivalents, Trade Receivables, Financial Assets measured at Amortised Cost.	Ageing Analysis, Credit Ratings	Diversification of Bank Deposits, Credit Limits and Regular Monitoring.
Liquidity Risk	Borrowings and Other Liabilities	Rolling Cash Flow Forecasts	Availability of surplus Cash, Committed Credit Lines and Borrowing Facilities
Market risk – Foreign Exchange	Recognised Financial Assets and Liabilities not Denominated in Indian Rupee	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the Net Exposure at an acceptable level, with option of taking Forward Foreign Exchange contracts, if deemed, necessary.
Price Risk	Investments in units of Mutual Funds/ Bonds	Credit Ratings	Portfolio Diversification and Regular Monitoring

## **Aptech Limited - Standalone Financial Statements**

### **A. Credit Risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive looking forward information such as:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant changes in the value of the collateral supporting the obligation or in the quality of the third party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

## Aptech Limited - Standalone Financial Statements

### B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

#### Financing arrangements

The Company had access to bank overdraft facilities. These facilities may be drawn at any time and may be terminated by the bank without notice.

### C. Market risk

#### Foreign currency risk

##### 1. Foreign currency exposure

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR, USD and MYR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of foreign currency sales and purchases for the Company's operations.

As of March 31, 2020, the Company's exposure to foreign currency risk, expressed in INR, is given in the table below. The amounts represent only the financial assets and liabilities that are denominated in currencies other than the functional currency of the Company.

Particulars	(₹ in Lakhs)					
	As at March 31, 2020			As at March 31, 2019		
Financial assets	EUR	USD	MYR	EUR	USD	MYR
Trade receivable	-	20.02	-	-	17.49	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>-</b>	<b>20.02</b>	<b>-</b>	<b>-</b>	<b>17.49</b>	<b>-</b>
Financial liabilities	EUR	USD	MYR	EUR	USD	MYR
Trade payable		0.01			0.02	
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>-</b>

## Aptech Limited - Standalone Financial Statements

### 2. Foreign exchange sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The table below shows the sensitivity of profit or loss to a 5% change in foreign exchange rates.

Particulars	As at March 31, 2020	As at March 31, 2019
USD Sensitivity		
Increase by 5%	-	10-11 %
Decrease by 5%	-	10-11 %

### D. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### 1. Exposure to interest rate risk

The Company's deposits and Investments are all at fixed rate and carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because a change in market interest rates.

#### 2. Price risk exposure

The Company's exposure to securities price risk arises from Investments held in mutual funds/Bonds and classified in the balance sheet at fair value through profit or loss. Since these investments are primarily held in Government bonds its price risk arising from such investments is NIL. Quotes of these investments are available from the fund houses.

Profit for the year would increase /decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

## Aptech Limited - Standalone Financial Statements

### 37. Capital Management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide Returns for shareholders and Benefits for other stakeholders,
- Maintain an optimal capital structure to reduce the cost of capital.
- The capital of the Company consist of equity capital and accumulated profits .

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross Borrowings	1,805.68	-
Less: Cash and cash equivalents	152.03	466.71
Net Borrowings	1,653.65	-
Total Equity	19,804.51	23,067.39
Net Borrowings to equity ratio	8.35%	0.00%

### 38. Disclosure pursuant to Ind AS on 'Operating Segment'

The Company's Managing director (MD) have been identified as the Chief Operating Decision Maker. He examines the performance of the Company on an entity level. The Company has two Operating segment i.e. 'Retail' and ' Institutional'. Thus, the segment revenue, segment results, total carrying value of segment assets and segment liabilities, total costs incurred to acquire segment assets, total amount of charge of depreciation during the year are all reflected in the financial statements as at and for the Year ended March 31, 2020.

### Segment Information

(₹ in Lakhs)

Particulars	Year ended 31st March 2020				Year ended 31st March 2019			
	Operating Segments				Operating Segments			
	Retail	Institutional	Unallocable	Total	Retail	Institutional	Unallocable	Total
Revenue								
Income from Segment	9,312.93	4,845.91	-	14,158.84	8,945.45	5,132.57	-	14,078.02
Results before Interest, Tax	3,986.88	(1,379.22)	(2,717.80)	(110.14)	4,035.91	(1,297.92)	(2,160.38)	577.61
Add: Interest income	-	-	185.15	185.15	-	0.02	130.35	130.37
Less: Interest Expenses and Finance Costs	7.10	32.74	82.22	122.06	0.05	-	9.13	9.18
<b>Profit / (Loss) before Tax</b>	<b>3,979.78</b>	<b>(1,411.96)</b>	<b>(2,614.87)</b>	<b>(47.05)</b>	<b>4,035.86</b>	<b>(1,297.90)</b>	<b>(2,039.16)</b>	<b>698.80</b>
Add / (Less): Current Tax	-	-	-	-	-	-	198.64	198.64
: Deferred Tax	-	-	(67.86)	(67.86)	-	-	(19.67)	(19.67)
<b>Profit / (Loss) after Tax</b>	<b>3,979.78</b>	<b>(1,411.96)</b>	<b>(2,547.01)</b>	<b>20.81</b>	<b>4,035.86</b>	<b>(1,297.90)</b>	<b>(2,218.13)</b>	<b>519.83</b>

**Aptech Limited - Standalone Financial Statements**

Particulars	Year ended 31st March 2020				Year ended 31st March 2019			
	Operating Segments				Operating Segments			
	Retail	Institutional	Unallocable	Total	Retail	Institutional	Unallocable	Total
<b>Other Information</b>								
Carrying amount of Segment Assets	3,614.90	4,379.59	17,071.05	25,065.54	2,902.00	4,661.15	18,660.99	26,224.14
Carrying amount of Segment Liabilities	839.93	1,848.07	2,573.03	5,261.03	899.96	1,321.18	935.61	3,156.75
Cost incurred to acquire Segment Property, Plant and Equipment and Other Intangible Assets during the year (Net of Inter Company)	515.42	503.95	102.85	1,122.22	285.58	136.00	275.74	697.32
Depreciation / Amortisation	349.95	334.08	219.58	903.61	347.28	141.94	210.42	699.64
Significant Non- Cash Expenses	84.10	1,137.61	451.16	1,672.87	216.70	678.07	(352.04)	542.73

**Geographical segment**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Revenue from customers by location	Carrying amount of Segment assets by location	Addition to Property, Plant and Equipment and Other Intangible Assets	Revenue from customers by location	Carrying amount of Segment assets by location	Addition to Property, Plant and Equipment and Other Intangible Assets
India	12,049.18	23,646.43	1,122.22	11,811.82	25,014.58	697.32
Outside India	2,109.66	1,419.11	-	2,266.20	1,209.56	-
<b>Total</b>	<b>14,158.84</b>	<b>25,065.54</b>	<b>1,122.22</b>	<b>14,078.02</b>	<b>26,224.14</b>	<b>697.32</b>

### **Aptech Limited - Standalone Financial Statements**

- A. Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
- B. The Company reportable segments are organised based on the type of customers offered by these segments.
- C. Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:
  - i. Basis of identifying operating segments: Operating segments are identified as those components of the Company
    - a. That engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components);
    - b. Whose operating results are regularly reviewed by the Company's Executive Management to make decisions about resource allocation and performance assessment and for which discrete financial information is available;
    - c. The Company has two reportable segments as described under "Segment Composition" as Retail & Institutional. The nature of services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.
  - ii. Reportable segments: An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.
  - iii. Segment profit: Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's Executive Management.

## Aptech Limited - Standalone Financial Statements

### 39. Related Party Disclosures

#### a. List of Related Parties:

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#### Companies where control exists

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#### Subsidiaries

Aptech Training Limited FZE Dubai

Maya Entertainment Limited

AGLSM SDN BHD, MALAYSIA

Aptech Ventures Ltd, Mauritius

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#### Step Down Subsidiaries

Star International Training and Consultancy Pvt. Ltd. (Under winding up w.e.f December 27, 2019 )  
(Erstwhile Aptech Global Investment Ltd.) (Subsidiary of Aptech Training Limited FZE, Dubai)

Aptech Investments Enhancers Ltd, Mauritius (Subsidiary of Aptech Ventures Ltd.)

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#### Others

Mr. Ninad Karpe

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#### Key Management Personnel

Mr. Anil Pant - Managing Director & CEO

Mr. Anuj Kacker - Whole Time Director

Mr. T. K. Ravishankar - Executive Vice President and CFO

Mr. Ketan Shah - Company Secretary

#### Non-executive Directors

Mr. Rakesh Jhunjunwala - Chairman

Mr. Vijay Aggarwal

Mr. Asit Koticha

Mrs. Madhu Jayakumar

Mr. Madhusudan Kela

Mr. Nikhil Dalal

Mr. Ninad Karpe

Mr. Rajiv Agarwal

Mr. Ramesh S. Damani

Mr. Utpal Sheth

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**Aptech Limited - Standalone Financial Statements**

**b. Key Management Personnel Compensation (Refer Note 30.2)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Short-Term Employee Benefits</b>		
Managing Director and CEO	260.99	249.81
Whole Time Director	131.63	145.83
Executive Vice President and CFO	95.12	114.58
Company Secretary	40.50	38.88
<b>Total</b>	<b>528.24</b>	<b>549.10</b>
<b>Share Based Payment</b>		
Managing Director and CEO	131.47	(83.27)
Whole Time Director	16.64	13.79
Executive Vice President and CFO	-	-
Company Secretary	0.99	0.71
<b>Total</b>	<b>149.10</b>	<b>(68.77)</b>

Liability for Gratuity and Leave Encashment at the end of the tenure has not been considered for calculation of Managerial Remuneration as per section IV of schedule V of Companies Act 2013

## Aptech Limited - Standalone Financial Statements

### c. Transactions with Related Parties

The following transactions occurred with related parties during the year:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Services Received from Subsidiary	9.39	2.03
Interest on Borrowings paid to Subsidiary	27.17	-
Services Rendered to Subsidiaries (Foreign)	697.80	835.31
Reimbursement of expenses from Subsidiaries (Domestic)	2,465.69	2,104.92
<b>Loans Repayment by Key Managerial Personnel</b>		
Mr. Anuj Kacker	5.82	5.27
<b>Dividend paid</b>		
Key Managerial Personnel	7.93	0.21
Promoters Group/ Directors/ Close Relatives of Directors	1,528.43	672.79
<b>Commission</b>		
Non-executive Directors	5.42	11.50
<b>Sitting Fees</b>		
Non-executive Directors	12.60	12.60
<b>Service Received from Other Related Parties</b>		
Mr. Ninad Karpe	30.00	32.50
Airpay Payment Services Private Limited (Entity Controlled / Significantly Influenced by Close Relatives of Promoter)	1.85	1.43

## Aptech Limited - Standalone Financial Statements

### d. Loans and Advances to Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Name of the company</b>		
Attest Testing Services Limited (Merged with Maya Entertainment Limited with effect from April 1, 2019) (Refer note 6.4)	-	913.25
Maya Entertainment Limited ( Refer note 6.4)	-	17.61
Aptech Venture Limited	5.41	5.41
<b>Name of Key Managerial Personnel</b>		
Mr. Anuj Kacker	20.02	25.84

### e. Loans and Advances from Related Parties

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Name of the company</b>		
Maya Entertainment Limited (Refer Note 6.4)	699.86	-

### f. Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	As at March 31, 2020	As at March 31, 2019
(₹ in Lakhs)		
<b>Trade payables</b> (for purchase of goods and services)		
Subsidiaries	29.62	2.92
<b>Trade receivables</b> (for sale of goods and services)		
Subsidiaries	1,114.79	834.09

All outstanding balances are unsecured and are repayable through bank.

## Aptech Limited - Standalone Financial Statements

### 40. Contingent Liabilities and Contingent Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the company not acknowledged as Debt (Refer Note 40.1)	180.10	61.11
Counter Guarantees with Bank for Projects	129.97	407.13
<b>Total</b>	<b>310.07</b>	<b>468.24</b>

**40.1** Claims not acknowledged as debts with respect to the Company's pending litigations comprise of claims against the Company primarily by the Civil & Consumer case pending with Courts. The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

**40.2** Other money for which the Company is contingently liable :

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

**40.3** Guarantees issued with bank are for the projects that are being executed.

**40.4** The amount assessed as Contingent Liability does not include interest that could be claimed by counter parties .

### 41. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	53.99	72.41
<b>Total</b>	<b>53.99</b>	<b>72.41</b>

## Aptech Limited - Standalone Financial Statements

### 42. Ind AS 116 on Leases

#### 42.1 Transition to Ind AS 116 :

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application, that is, April 1, 2019. Accordingly, the Company has not restated comparative information. This has resulted in recognising a right-of-use (ROU) assets of ₹ 308.95 lakhs and a corresponding lease liability of ₹ 308.95 lakhs as at April 1, 2019. The effect of this adoption is not significant on the profit and loss for the year and earning per share. Segment Results have been arrived after considering interest expense on lease liabilities.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

#### 42.2 Disclosures pursuant to Ind AS 116 :

##### As a Lessee :

a. Following are the changes in the carrying amount of Right-of-Use Assets for the year ended March 31, 2020 :

(₹ in Lakhs)			
Category of Right-of-Use Assets	Gross Block	Accumulated Depreciation	Carrying Amount
<b>Buildings &amp; Computers</b> (Refer note 4b)			
<b>Balance as at April 1, 2019</b>	-	-	-
On Transition to Ind AS 116	308.95	-	308.95
Additions	343.53	216.31	127.22
Deletions	-	-	-
<b>Balance as at March 31, 2020</b>	<b>652.48</b>	<b>216.31</b>	<b>436.17</b>

b. The following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

(₹ in Lakhs)	
Particulars	Carrying Amount
Current lease liabilities	304.45
Non-current lease liabilities	146.48
<b>Total</b>	<b>450.93</b>

**Aptech Limited - Standalone Financial Statements**

c. The following is the movement in lease liabilities during the year ended March 31, 2020 :

(₹ in Lakhs)	
Particulars	Amount
<b>Balance as at April 1, 2019</b>	-
On Transition to Ind AS 116	308.95
Additions	343.53
Finance cost accrued	39.84
Deletions	-
Payment of lease liabilities	241.39
<b>Balance as at March 31, 2020</b>	<b>450.93</b>

d. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

(₹ in Lakhs)	
Particulars	Amount
Less than one year	334.47
One to five years	154.59
More than five years	-
<b>Total</b>	<b>489.06</b>

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

e. The following amounts are recognised in the Statement of Profit and Loss for the year ended March 31, 2020 :

(₹ in Lakhs)	
Particulars	Amount
Depreciation charge on Right-of-use assets	216.31
Interest expense on lease liabilities	39.84
Expense relating to short-term leases	53.40

f. Total cash outflow for leases from Financing Activities recognised in the Statement of Cash Flows for the year ended March 31, 2020 is ₹241.39 Lakhs.

## Aptech Limited - Standalone Financial Statements

### 43. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Basic Earnings Per Share		
i. Net Profit attributable to Equity Shareholders (₹ in Lakhs)	20.81	519.83
ii. Weighted average number of Equity Shares Outstanding (Nos.)	3,99,54,596	3,98,93,560
<b>Basic EPS (₹) (i)/(ii)</b>	<b>0.05</b>	<b>1.30</b>
B. Diluted Earnings Per Share		
i. Weighted average number of Equity Shares Outstanding (Nos.)	3,99,54,596	3,98,93,560
ii. Add: Potential Equity Shares on exercise of ESOPs (Nos.)	6,96,040	9,67,692
iii. Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii)	4,06,50,637	4,08,61,252
<b>Diluted EPS (₹) {(A) (i) / (B) (iii)}</b>	<b>0.05</b>	<b>1.27</b>

**Aptech Limited - Standalone Financial Statements**

**44. Foreign Currency Exposure which are not hedged**

<b>Particulars</b>	(₹ in Lakhs)	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Trade Receivables	1,419.11	1,209.56
<b>Total</b>	<b>1,419.11</b>	<b>1,209.56</b>

**45.** The figures for the previous year has been regrouped/ rearranged/reclassified wherever necessary to correspond with figures of current year.

As per our attached Report of even date

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

**PARESH H. CLERK**

Partner

Membership No. 36148

**Place** : Mumbai

**Dated** : May 25, 2020

For and on behalf of the Board of Directors of

**APTECH LIMITED**

**ANIL PANT**

Managing Director & CEO

DIN : 07565631

**VIJAY AGARWAL**

Director

DIN : 00515412

**T. K. RAVISHANKAR**

Executive Vice President & CFO

**KETAN SHAH**

Company Secretary

**Aptech Limited - Consolidated Financial Statements**

Additional information pursuant to para 2 of general instruction for the preparation of Consolidated Financial Statement.

Name of the Subsidiary	Reporting Currency	Net Assets i.e. total assets minus total liabilities		Share in Total Comprehensive Income	
		As % of Consolidated Net Asset	₹ in Lakhs	As % of Consolidated Profit or loss	₹ in Lakhs
<b>Parent</b>					
Aptech Limited	₹	76.35	19,804.51	(12.31)	(145.13)
<b>Subsidiaries</b>					
<b>Indian</b>					
Maya Entertainment Limited (Refer Note 6.4)	₹	(10.39)	(2,696.13)	103.06	1,215.46
<b>Foreign</b>					
AGLSM SDN.BHD , Malaysia	MYR	0.19	48.62	0.19	2.22
Aptech Training Limited FZE	USD	2.07	537.51	9.56	112.73
Aptech Investment Enhancers Limited (Subsidiary of Aptech Ventures Limited )	Euro (€)	33.49	8,686.61	(0.02)	(0.24)
Aptech Ventures Limited	Euro (€)	(0.20)	(52.32)	(0.07)	(0.83)
Star International Training and Consultancy Pvt. Ltd. (W.e.f 23rd dec'2016 (Erstwhile Aptech Global Investment Limited) (Subsidiary of Aptech Training Limited FZF )	Euro (€)	(1.51)	(391.46)	(0.41)	(4.81)
Other Investments					
Aptech Philippines Incorporation	Peso	-	0.67	-	-
<b>Total</b>		<b>100.00</b>	<b>25,938.01</b>	<b>100.00</b>	<b>1,179.40</b>

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGGARWAL**  
Director  
DIN : 00515412

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

Place : Mumbai  
Dated : May 25, 2020

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**

(₹ in Lakhs)

Particulars	Maya Entertainment Limited	Agism Sdn.bhd. Malasiya	Aptech Training Limited.Fze, Dubai	Aptech Investment Enhancers Limited. Mauritius	Aptech Ventures Limited. Mauritius	Star International Training & Consultancy Private Limited	Total Subsidiary	Aptech Philippines Incorporation
Equity capital	2,772.49	105.45	66.61	209.46	209.46	392.33	<b>3,755.81</b>	1.68
Preference capital		-	-	1,908.26	1,908.26		<b>3,816.52</b>	
Reserves	612.06	(46.51)	(145.26)	8,674.02	(3.24)	(392.06)	<b>8,699.02</b>	
Total Assets (exclude investments)	6,736.94	363.75	1,403.30	4.76	2.76	0.01	<b>8,511.52</b>	7.06
Total Liabilities (excluding capital and reserves)	3,355.21	212.05	1,224.28	26.50	24.00	0.01	<b>4,842.06</b>	5.38
Investment other than Investment in subsidiary	2.82			10,813.21	-	-	<b>10,816.03</b>	
Income	9,402.97	339.08	1,173.47	-	-	0.44	<b>10,915.96</b>	
Profit / (loss) before tax	1,647.01	11.05	83.11	(0.24)	(0.82)	(6.01)	<b>1,734.11</b>	-
Provision for taxation	426.28	8.83	-	-	-	-	<b>435.11</b>	
Profit after tax	1,220.73	2.22	83.11	(0.24)	(0.82)	(6.01)	<b>1,299.00</b>	-
Reporting currency (other than ₹)		MYR	USD (\$)	Euro	Euro	Euro		Peso
Closing rate		17.54	75.39	83.05	83.05	83.05		1.48
% of Shareholding	100.00	100.00	100.00	100.00	100.00	100.00		40.00
Country	INDIA	MALAYSIA	DUBAI	MAURITIUS	MAURITIUS	MAURITIUS		PHILIPPINES

The Annual Accounts for 2019-20 for all the subsidiaries are available at Company's registered office. Any investor either of holding company or any subsidiary sompany can seek any information at any point of time by making a request in writing to the Company Secretary of the Company.

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

**ANIL PANT**  
Managing Director & CEO  
DIN : 07565631

**VIJAY AGGARWAL**  
Director  
DIN : 00515412

**T. K. RAVISHANKAR**  
Executive Vice President & CFO

**KETAN SHAH**  
Company Secretary

**Place** : Mumbai  
**Dated** : May 25, 2020

## **CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

We, Anil Pant, Managing Director & CEO and T.K. Ravishankar, CFO of Aptech Limited, hereby certify that:

A. We have reviewed financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2020, which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.

D. We have indicated to the Auditors and the Audit Committee:

(1) significant changes in internal control during the year, if any;

(2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system during the year.

<b>Sd/-</b>	<b>Sd/-</b>
<b>Anil Pant</b>	<b>T. K. Ravishankar</b>
<b>Managing Director &amp;</b>	<b>Chief Financial Officer</b>
<b>CEO</b>	
<b>Place: Bangalore</b>	<b>Place: Mumbai</b>
<b>Date: 25<sup>th</sup> May, 2020</b>	<b>Date: 25<sup>th</sup> May, 2020</b>

## **DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)**

I, Anil Pant, Managing Director & CEO of Aptech Limited, hereby declare that, as per the requirements of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, all the Board Members and the Senior Management Personnel of the Company have affirmed their compliances with the Aptech Code of Conduct, for the Financial Year ended 31<sup>st</sup> March, 2020.

**Sd/-**  
**Anil Pant**  
**Managing Director & CEO**  
**Place: Bangalore**  
**Date: 25<sup>th</sup> May, 2020**

## NOTICE

NOTICE is hereby given that the Twentieth (20<sup>th</sup>) Annual General Meeting ("AGM") of Aptech Limited will be held on Wednesday, 15<sup>th</sup> July 2020 at 3.30 p.m. through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31<sup>st</sup> March 2020, and the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Rakesh Jhunjunwala having DIN: 00777064 who retires by rotation and is eligible for reappointment.

### SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

#### Stock Option Plan for the employees of subsidiary companies

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Regulation 6(3)(c) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modification or amendment thereto and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the Company hereby accords its approval by a special resolution to extend the benefit of 'Aptech ESOP 2016 Plan ("Plan") to such individual(s) who are in the permanent employment of the subsidiary companies (whether now or hereafter existing, in India or overseas, as may be from time to time be allowed under the prevailing laws, rules and regulations, and / or any amendments thereto from time to time) (the Subsidiary Companies) whether working in India or out of India, on whole-time basis or not and to such other persons as may from time to time be allowed to enjoy the benefits of the Plan under applicable laws and regulations prevailing from time to time (hereinafter collectively referred to as 'Subsidiary Companies Employees'), except those who are promoters or belong to the promoter group, in accordance with stipulations contained in the Plan"

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

#### Grant of Stock options 1% or more of the issued share capital of the Company during any one year:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Regulation 6(3)(d) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modification or amendment thereto and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be

prescribed or imposed while granting such approvals, permissions and sanctions, the Company be and hereby accords its approval by a special resolution to grant stock options under the Apteck ESOP 2016 Plan during any one year, equal to or exceeding 1% (one percent) or more of the issued share capital (excluding outstanding warrants and conversions) of the Company to the following employee:

<b>Name and Designation of the Employee</b>	<b>Number of Options to be granted</b>
Mr. Anil Pant, Managing Director & CEO	Up to 13,29,780 ESOPs exercisable into not more than 13,29,780 fully paid up equity shares in one or more tranches at a price of Rs. 67/- per share

## **NOTES TO THE NOTICE OF AGM**

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM herein after called as "e-AGM".
3. e-AGM: Company has appointed M/s. KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required and accordingly Attendance Slip and Route map are not annexed to this Notice.
  - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
7. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters,

Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

8. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ CDSL / NSDL ("Depositories").  
Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.aptech-worldwide.com](http://www.aptech-worldwide.com) , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www1.nseindia.com](http://www1.nseindia.com) respectively, and on the website of KFinTech i.e. <https://evoting.karvy.com>
10. In case you have not registered your email address with the Company/ Depository participant, please follow below instructions to register your email ID for obtaining login details for remote e-voting and e-voting during the AGM:

Members holding shares in physical Form	Send a request to KFin Technologies Private Limited, Registrar and Share transfer Agent of the Company ("KFin") at <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> providing Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back) and self attested scanned copy of PAN card for registering email address.
Members holding shares in Demat Form	Kindly contact your Depository Participant (DP) and register your email address as per the process advised by DP

## **Instructions for the Members for attending the e-AGM through Video Conference:**

1. **Attending e-AGM Video conference:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and **click on the "video conference"** and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow Camera, if any, and hence use Internet with a good speed is required to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
7. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
8. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into at <https://emeetings.kfintech.com> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. **The posting of the questions shall commence on 9<sup>th</sup> July, 2020 at 9.00 AM (IST) and close on 12<sup>th</sup> July, 2020 at 5.00 PM (IST).**
9. Members who need technical assistance before or during the AGM, can contact KFin on 1800 345 4001 (toll free).

### **Instructions for members for e-Voting during the e-AGM session:**

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

### **Remote Voting through electronic means:**

In terms of the provisions of Section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as **8<sup>th</sup> July 2020** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Aptech Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are

required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote and upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL\_EVENT No.'

- xii. **The Members can cast their vote online from 10.00 A.M. (IST) on Saturday, 11<sup>th</sup> July, 2020 to 5.00 P.M. (IST) on Tuesday, 14<sup>th</sup> July, 2020. At the end of remote e-voting period, the facility shall forthwith be blocked.**

The Board of Directors have appointed Jay Mehta, Practicing Company Secretary (Membership No. FCS 8672) as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.aptech-worldwide.com](http://www.aptech-worldwide.com) and also on the website of KFinTech at <https://evoting.karvy.com/>

In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

### **Other Guidelines for Members**

1. Member who wish to inspect copy of any document referred to in the accompanying Notice of the 20<sup>th</sup> AGM, copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and other eligible documents can send an email from their registered email ID on [investors\\_relations@aptech.ac.in](mailto:investors_relations@aptech.ac.in) by 15<sup>th</sup> July, 2020 specifying their Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back) and self-attested scanned copy of PAN card. Company shall provide specific date for visit by shareholder at the registered office of the Company for inspecting the documents.
2. Details as required in Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 20<sup>th</sup> AGM, forms integral part of the Notice of the 20<sup>th</sup> AGM.
3. As mandated by SEBI, effective from April 1, 2019, that securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.

**I. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.**

**ITEM NOS. 3 AND 4**

We draw the attention of all the Members of Aptech Limited (the "**Company**") towards the Special Resolution no. 7, 8 and 9 passed by the Members of the Company providing their approval to the 'Aptech Limited Employee Stock Option Plan 2016' ("**Aptech ESOP 2016**") at the Sixteenth Annual General Meeting held on September 27, 2016 ("**AGM**").

Explanation in the nature of clarification for each Special Resolution stated above is provided below:

**RESOLUTION NO. 7: SPECIAL RESOLUTION PROVIDING APPROVAL TO APTECH ESOP 2016**

In accordance with the provisions of Section 62(1)(b) of the Companies Act, 2013 ("**CA 2013**"), rules and regulations made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 ("**SBEB Regulations**"), the Members of the Company at the AGM *vide* a Special Resolution had provided its approval to the Aptech ESOP 2016. Approval was provided for grant of ESOPs to permanent employees of the Company and its wholly owned subsidiaries including directors which is evident from the language used in the Resolution No. 7, extract of which is reproduced as follows:

*"...Consent of the Company be and are hereby accorded respectively to the 'Aptech Limited Employees Stock Option Plan 2016' (hereinafter referred to as the Aptech ESOP 2016"/"Plan") and to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its power, including the powers. Conferred by this resolution) to create, offer and grant from time to time up to 44,32,620 (Forty Four Lacs Thirty Two Thousand Six Hundred Twenty) Employee Stock options being 11.11% of the paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2016 to the permanent employees including those joining on or before 31<sup>st</sup> December, 2016 **as permanent employees of the Company and its wholly owned subsidiaries including directors.....**"*

Further, the Company also provided its approval for grant of ESOPs to the Managing Director of the Company upto 30% of the total number of ESOPs. Additionally, approval was also provided for grant of ESOPs to any employee including any directors of the Company, in any financial year and in aggregate under the Aptech ESOP 2016 amounting to more than 1% of the issued Equity Share Capital of the Company. Relevant extract of the same is reproduced as follows:

**"RESOLVED FURTHER THAT the number of Employee Stock Options that maybe granted to the Managing Director of the Company shall be up to 30% of the total number of Options.**

**RESOLVED FURTHER THAT the number of Employee Stock Options that may be granted to any employee including the Director of the Company, in any financial year and in**

**aggregate under the Aptech ESPO 2016 would be more than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company and as separate special resolution shall be passed to this effect.**

**RESOLUTION NO. 8: SEPARATE SPECIAL RESOLUTION UNDER REGULATION 6(3)(D) OF THE SBEB REGULATIONS**

In addition to the general approval provided *vide* Resolution No. 7 for grant of upto 30% of the total ESOPs to the Managing Director of the Company, in compliance with the requirements of Regulation 6(3)(d) of the SBEB Regulations the Members of the Company also passed a separate Special Resolution providing its specific approval for grant of ESOPs to the Managing Director categorically approving grant of 13,29,780 ESOPs being 30% of the total ESOPs exercisable into not more than 13,29,780 equity shares of the Company in one or more tranches.

**RESOLUTION NO. 9: SEPARATE SPECIAL RESOLUTION UNDER REGULATION 6(3)(C) OF THE SBEB REGULATIONS**

In compliance with the requirements of Regulation 6(3)(c) of the SBEB Regulations for grant of ESOPs to the permanent employees of the subsidiaries of the Company, in addition to the general approval provided through the Resolution No. 7 the Members of the Company also passed a separate Special Resolution providing its approval for grant of ESOPs to employees of the subsidiaries of the Company.

The explanatory statements to Resolution No. 7, 8 and 9 also stated in clear terms that the Company had recommended (a) Resolution No. 8 for approval for grant of ESOPs to the Managing Director of the Company who is an identified employee and to whom the Company intends to grant ESOPs aggregating to more than 1% of the issued Equity Share Capital of the Company and (b) Resolution No. 9 for approving grant of ESOPs to permanent employees of the subsidiaries of the Company. The relevant extra of the explanatory statement is reproduced as below:

*".....The Company intends to implement Aptech Limited ("Aptech ESOP 2016"/"Plan") with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) as decided by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.*

*The Company seeks members' approval in respect of Aptech ESOP 2016 and grant of Stock options to the eligible employees/Director of the Company that of its Subsidiary Company(ies) as decided by the Compensation Committee from time to time in due compliance of the SEBI SBES Regulations.*

*Following classes of employees are entitled to participate in Aptech ESOP 2016:*

- a. Permanent employees including those joining on or before 31<sup>st</sup> December, 2016 as permanent employees of the company and its subsidiaries, working in India or out of India.*
- b. Directors of the Company*
- c. Directors of the Subsidiaries Company(ies)*

*Maximum number of Options to be issued per employee and in aggregate:*

*The number of Options that may be granted to any specific employee of the Company under the Plan, in any financial year and in aggregate under the Aptech ESOP 2016 would be more than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company. A separate special resolution shall be passed to this effect.*

*The Company intends to implement Aptech Limited Employee Stock Option Plan 2016 ("Aptech ESOP 2016"/"Plan") with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies)...."*

Even though the aforesaid separate Special Resolutions were passed by the Company at the Sixteenth Annual General Meeting held on 27<sup>th</sup> September 2016 based on the proper and clear explanation that was provided in the explanatory statement to the Notice of the Sixteenth AGM, as an abundant precaution, the Company hereby once again proposes to pass the Special Resolutions as per item nos. 3 and 4 of this Notice in compliance with the Regulations 6(3)(c) and 6(3) (d) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**") as amended from time to time.

As per the opinion of the Board of Directors of the Company the matter stated in Item no. 3 and 4 are unavoidable and hence the items are placed before the shareholders for obtaining their approval.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 read with Regulation 6(3)(c) and 6(3)(d) of the SEBI SBEB Regulations.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, under the Plan. The Directors recommend the resolutions as stated in Item no. 3 and 4 for your approval as Special Resolution.

**II. Details of directors seeking appointment/re-appointment required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the ICSI:**

<b>Name of Director</b>	<b>Mr. Rakesh Jhunjhunwala</b>
DIN	00777064
Date of Birth	5 <sup>th</sup> July, 1960
Date of Appointment	28 <sup>th</sup> October, 2005
Qualification	Chartered Accountant
Brief resume of the Director	<p>Rakesh Jhunjhunwala is one of India's better-known equity investors. A qualified Chartered Accountant (CA), he is a partner in his asset management firm, Rare Enterprises. He has been a keen and active participant in Indian capital markets since 1985.</p> <p>In 1998, Mr. Jhunjhunwala was profiled by Business India magazine as one of India's five best investors. His views are constantly sought-after by the media and he regularly interacts and shares his opinions with the investing community.</p>
Nature of his expertise in specific functional areas	Proprietary Investment & Share Trading
Relationship <i>inter-se</i> with other directors/ key managerial personnel	-
Directorship in other listed Indian companies	Delta Corp Limited
Chairman/Member of any committee of the board of directors of Listed Indian Companies	NIL
Shareholding, if any in the Company	50,94,100 equity shares

**By Order of the Board of Directors**

**Sd/-  
Ketan H. Shah  
Company Secretary & Compliance Officer  
F3167**

**Place: Mumbai  
Date: 15<sup>th</sup> June, 2020**