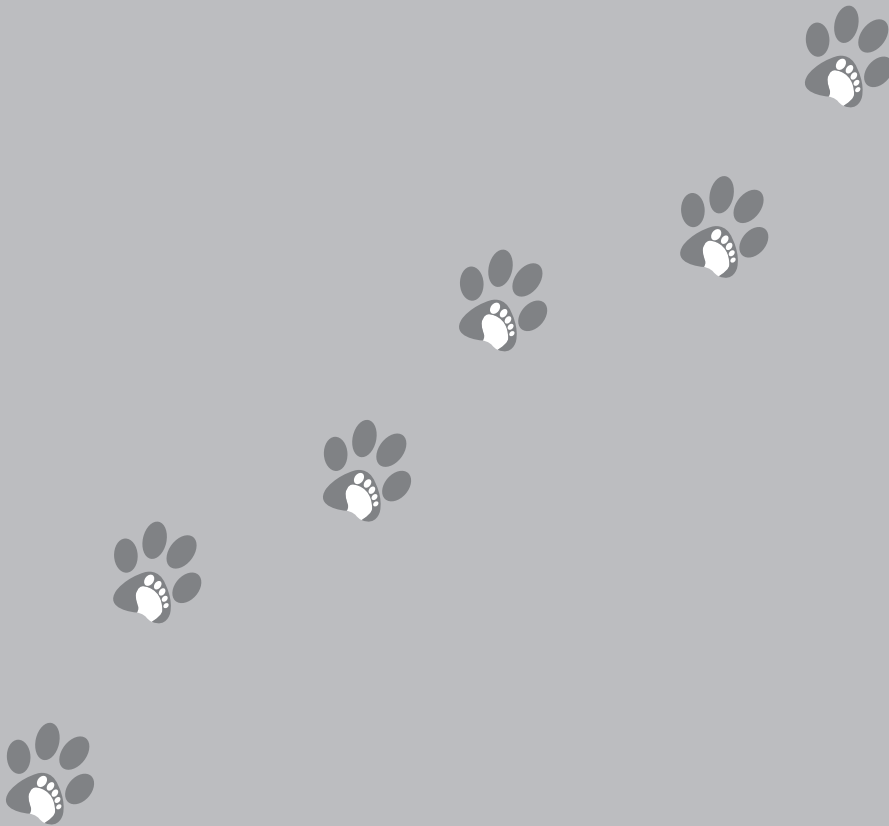




*Unleash your potential*



**Aptech Limited**

**ANNUAL REPORT 2018-19**

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## Corporate information

### Board of Directors

**Rakesh Jhunjhunwala**  
Chairman

**Vijay Aggarwal**  
Director

**Anil Pant**  
Managing Director & CEO

**Anuj Kacker**  
Whole Time Director

**Asit Koticha**  
Director

**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 2827 2300 / 01  
Fax: +91 22 2827 2399  
Email: investors\_relations@aptech.ac.in

### Statutory Auditors

**M/s. Bansi S Mehta & Co**  
Chartered Accountants,  
Merchant Chamber,  
3<sup>rd</sup> 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

M/s. Karvy Fintech Pvt Ltd  
Karvy Selenium, Tower B, Plot 31-32, Gachibowli,  
Financial District, Hyderabad - 500 032  
Tel No : +91 40 6716 2222  
FaxNo : +91 40 2342 0814  
Email : einward.ris@karvy.com

**DIRECTORS' REPORT****TO THE MEMBERS OF APTECH LIMITED**

Your Directors are pleased to present their Nineteenth Annual Report on the business and operations of your Company and the Audited Financial Statement for the year ended March 31, 2019.

**STATE OF AFFAIRS – SNAPSHOT OF FINANCIAL RESULTS**

The financial results of the Company for the Accounting period ended March 31, 2019 are presented below:

(Rs. In lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Operating Revenue	14,078.02	15,913.97	20,855.15	22,914.23
Total Revenue	14,548.58	17,901.82	21,271.88	24,983.27
Total Expenditure	13,849.78	15,621.83	19,031.50	21,325.00
Net Profit before exceptional item and tax	698.80	723.84	2,240.38	2,102.12
Net Profit after exceptional item	698.80	2,279.99	2,240.38	3,658.27
Profit / (Loss) After Tax	519.83	1,905.77	1,822.11	3,287.23
Total Comprehensive Income	658.11	2,015.00	1,942.95	3,393.35

**OPERATIONS REVIEW**

The Company achieved considerable progress in FY 2018-19 by strengthening its position in as a 'Branded Lifecycle Learning Platform' and improving the quality of its revenue. It ended the year with a Profit Before Tax (before Exceptional Items) of Rs. 2,240 Lakhs, which amounted to a growth of 6.6% vis-à-vis the previous financial year. The FY 2018-19 EBIT was also higher by 6.7% over FY 2017-18 to Rs. 2,249 Lakhs, in spite of headline Revenue from Operations declining by 9% from Rs. 22,914 Lakhs in previous year to Rs. 20,855 Lakhs in FY 2018-19. This decline in revenue was primarily on account of a conscious decision to exit from low margin businesses and projects in the International Retail business and a temporary impact of strategic realignment on business traction for the Institutional segment. The Profit After Tax for FY 2018-19 was Rs. 1,822 Lakhs, which was lower than the previous year when the Company had recorded exceptional income from sale of properties. The balance sheet of the Company continued to be healthy with zero debt and Cash, Cash Equivalents, Short-term Investments & Financial Instruments amounting to Rs. 6,331 Lakhs as on March 31, 2019.

The Retail segment, on a like-to-like basis, after excluding the discontinued revenue streams from low margin businesses and projects revenue in the International Retail division, grew by 6.5%. Domestic Retail, the primary growth driver for the Company, continued growing at a healthy pace in FY 2018-19, i.e. 13.9% on a YOY basis. The revenue mix for the Retail segment moved from 65:35 in FY 2017-18 to 77:23 in FY 2018-19 in favour of Domestic Retail. Retail EBIT expanded by 14% from Rs. 4,673 Lakhs to Rs. 5,326 Lakhs with the EBIT margin for the segment going up to 37.8% from 32.1% in the preceding year. The Institutional segment ended FY 2018-19 with a top line of Rs. 6,762 Lakhs vis-à-vis Rs. 8,362 Lakhs logged in FY 2017-18. The strategic realignment implemented in the Assessment division of the Institutional segment started delivering results in the last quarter of FY 2018-19, however the full impact would be seen from the next financial year onwards. The Company continued to improve operational efficiencies at the corporate overhead expenses level and the ESOP expenses, which have been recognised under 'Employees Benefits Expenses' as 'Share Based payment to Employees', saw a net write back of Rs. 306 Lakhs on account of the lapsed/cancelled ESOPs that will not vest, as against an expense of Rs. 1,227 Lakhs in FY 2017-18.

Overall system-wide collection from students for the franchise business in Retail segment was Rs. 42,001 Lakhs in FY 2018-19 vs. Rs. 35,884 Lakhs in FY 2017-18, translating to a growth of 17.1%. Out of this total, system-wide collection for Domestic Retail was Rs. 29,910 Lakhs and for International Retail was Rs. 12,091 Lakhs with a YOY growth of 20.3% and 9.7% respectively. From April 2018 to March 2019, there was a net addition of 76 active centres in Domestic Retail and of 6 active centres in International Retail. This expansion was on the base of 574 active India centres and 121 active overseas centres in March 2018.

Performance in the Retail segment was achieved on the back of Company's consistent and committed strategic thrust to strengthen its position as the 'Branded Lifecycle Learning Platform' of choice. This was achieved through pursuit of 'Employment Driven Enrolment' and its mission to eliminate unemployment, primarily in the domestic market, and enhanced value proposition with advanced courses and pathway to world-class international qualifications through alliances. Some of the major initiatives on these fronts were:

1. Launching high value premium courses and expanding course basket to address more sub-segments within each vertical. Objective is to maintain industry relevance as a source for skilled resources from a quality, coverage and number perspective.
2. Leveraging technology to improve quality of learning outcomes and student experience such as use of Augmented Reality, by employing latest pedagogy of video-assisted classrooms, online Master Class by international experts, and many more with the objective to provide holistic and experiential learning.

3. Providing a common online platform Creosouls that would bring its three main stakeholders, viz. student, franchisee and recruiter, together and help them showcase student work, jobs, events, competitions, courses, etc. to the entire community.
4. Partnering with recruiters to incorporate specific skills or training modules in the course so as to ensure job-ready candidates. Also, by entering into specific Hire & Train agreements.
5. Enhancing the share of voice through increased marketing intensity and comprehensive marketing strategy across all mediums. Use of Mr. Rahul Dravid as the brand ambassador for Aptech Learning and Arena Animation was the biggest example of increased focus on marketing.
6. Increasing use of mobile and digital technologies in marketing and counselling process, for e.g. use of Virtual Reality kits, online tools etc. in counselling and use of voice bots, AR and VR on websites.
7. Using events as a key thrust for student engagement and industry connect to increase excitement around the brand by giving a platform for experience, interaction and expression that would also lead to higher amount of content for social and traditional media. This is also a key element of the revenue model for most brands.
8. Continuing to focus on faster expansion of all brands, especially new brands that have widened the Company's lifecycle coverage at both ends, i.e. 'before job' and 'after job'.
9. Continued rationalization and restructuring of network by weeding out non-performing and defaulting franchisees to ensure minimizing potential business loss and improving quality.

The Company had put into motion a plan to re-energize the Assessment & Testing division during the year because of the impact of operational setbacks in previous year. This included a new strategy to focus on specific segments of exams where probability of extraneous factors affecting delivery and customer relationship were negligible. It was also found prudent to spread the risk by focusing to acquire a larger base of customers without too much dependence on a single client, and to rationalize the fixed investments in line with the existing revenue base. New tool for Digitisation of Records was also launched in the market to capture a larger share of customer's wallet.

The Company has continued to focus on improving the quality and robustness of its business processes, and as a testament the Company was certified by CMMI® Institute at Capability Maturity Level 3 for its Enterprise Business group and also received the prestigious Golden Peacock National Training Award 2019. Trust and recognition enjoyed by its star brands was visible from the 'Brand of the Decade' award in the Education Space that was conferred by Brand Advertising Research and Consulting Asia and Herald Global in May 2018 to 'Aptech' and 'Arena'. Similarly, in the international arena, Aptech Vietnam received the Top ICT award in the Training category for the 16th year in row.

#### **DIVIDEND**

An Interim Dividend of Rs. 3.50 per equity share was paid to the shareholders as approved by the Board of Directors at its meetings held on 21st May, 2019. 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 2018-19, the Directors met four times on 30<sup>th</sup> May, 2018, 26<sup>th</sup> July, 2018, 25<sup>th</sup> October, 2018 and 11<sup>th</sup> February, 2019.

Mr. Rajiv Agarwal, Non Executive Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mrs. Madhu Jayakumar whose first term of five years will get over on 23<sup>rd</sup> September 2019 and who meets with the criteria of independence, is eligible for re-appointment for the second term of five years.

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.

#### **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 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.

#### **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 the link: <https://www.aptech-worldwide.com/downloads/news-and-notification/DISCLOSUREASREQUIREDUNDERSEBIESOP-Aptech-31.03.2019.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 2018-19 is available on Company's website on the link : [www.aptech-worldwide.com](http://www.aptech-worldwide.com)

## **APTECH LIMITED**

### **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 31st March 2019, the Company had 7 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 31st March 2019.

### **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 organisation 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 also annexed.

### **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, 2019, 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, 2019 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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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.

**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 Maya Entertainment 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.

**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

Sd/-

**Anil Pant**

Managing Director & CEO

DIN: 07565631

**Place:** Mumbai

**Date:** 24th June, 2019

**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 is given in Annexure –IV

**ANNEXURE - I TO DIRECTORS' REPORT**

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

- 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>

- 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

- Average net profit of the Company for last three financial years:** Rs.1472.56 lakhs
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).** Rs. 29.45 lakhs
- Details of CSR Amount spent during the financial year:**

- Total amount to be spent for the financial year: 19.88 lakhs
- Amount unspent, if any: 9.57 lakhs
- 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 – 16.63 Lakhs 2. Research and Extension Association for Conservation Horticulture and Agro -Forestry(REACHA) - 3.25 Lakhs <b>Total Spent – 19.88 Lakhs</b>

- Reasons for not spending the amount:** As required under the Companies Act, 2013, the Company was required to contribute Rs. 29.45 lakhs during the financial year 2018-19. However, the Company could contribute only Rs. 19.88 lakhs during the said financial year. The tie-up with the NGOs couldn't gather momentum as was expected and therefore Rs.9.57 lakhs remained unspent.

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

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

Sd/-  
**Madhu Jayakumar**  
(Chairperson of CSR Committee)

Sd/-  
**Ketan H. Shah**  
(Company Secretary)



**ANNEXURE - II TO DIRECTORS' REPORT**

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, 2019

**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, 2019 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, 2019 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;
  - g) 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.

## APTECH 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:  
Mr. Nikhil Piyush Dalal was appointed as Non- Executive Independent Additional Director of the company w.e.f. 30<sup>th</sup> May, 2018.  
Mr. Ramesh Damani & Mr. Vijay Aggarwal have been re-appointed as Independent Directors for the second term of further period of five years on 30<sup>th</sup> May, 2018.  
Mr. Madhusudhan Kela and Mr. Nikhil Dalal were regularized as Director in the AGM held on 26<sup>th</sup> July, 2018.
- 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,**

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

**Date:** 2<sup>nd</sup> May, 2019

**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, 2019.

To,

**The Members,**

**Maya Entertainment Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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, 2019 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, 2019 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.**

## APTECH LIMITED

### 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. Nikhil Piyush Dalal was appointed as Non- Executive Independent Additional Director of the company w.e.f. 30<sup>th</sup> May 2018.  
Mr. Ramkumar Warriar was appointed as Whole Time Director of the company w.e.f. 10<sup>th</sup> September 2018.  
Mr. Nikhil Dalal were regularized as Non - Executive Independent Director in the AGM held on 10<sup>th</sup> September, 2018.
  - 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,**

Sd/-  
Suhas Ganpule,  
Proprietor,  
Membership No: 12122  
C. P No: 5722

**Date:** 2<sup>nd</sup> May, 2019

**Place:** Mumbai

**ANNEXURE - III TO DIRECTORS' REPORT**

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19 (Rs. In lakhs)	% increase in remuneration in the FY 2018-19	Ratio of remuneration to median employees remuneration	Comparison of remuneration of the KMP against the performance of the Company
1	Asit Koticha, Director	1.70	NIL	0.27	
2	Madhu Jayakumar Director	5.20	44.44	0.82	
3	Rajiv Agarwal, Director	1.20	NIL	0.19	
4	Ramesh S. Damani, Director	6.00	NIL	0.95	
5	Utpal Sheth, Director	1.40	NIL	0.22	
6	Vijay Aggarwal, Director	6.40	NIL	1.01	
7	Ninad Karpe, Director	0.80	33.33	0.12	
8	Madusudan Kela, Director	0.80	300	0.12	
9	Nikhil Dalal, Director	0.60	NA	0.09	
10	Anil Pant, Managing Director & CEO	249.81	NIL	39.46	Consolidated net profit before exceptional item and tax for the year ended 31st March 2019 has increased by 6.60%.
11	Anuj Kacker, Wholetime Director	145.83	NIL	23.03	
12	T. K. Ravishankar, Chief Financial Officer	114.58	4.30	Not applicable	
13	Ketan H. Shah, Company Secretary	38.88	2.29	Not applicable	

- (ii) The median remuneration of employees of the Company during financial year was Rs.6.33 lakhs.
- (iii) In the financial year there was an increase of 1.03% in the median remuneration of employees.
- (iv) There were 480 permanent employees on the rolls as on 31<sup>st</sup> March 2019.
- (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 2018-19: 5.41 %.
- (vi) The percentage increase in the managerial remuneration in the FY 2018-19: 9.35%.
- (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

Sd/-  
**Anil Pant**  
 Managing Director & CEO  
 DIN: 07565631

Place: Mumbai  
 Date: 24th June, 2019

**ANNEXURE - IV TO DIRECTORS' REPORT****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 arms 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.**

Sr. No.	Particulars	Details	
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	1.43 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

DIN: 00515412

Sd/-

**Anil Pant**

Managing Director & CEO

DIN: 07565631

**Place:** Mumbai

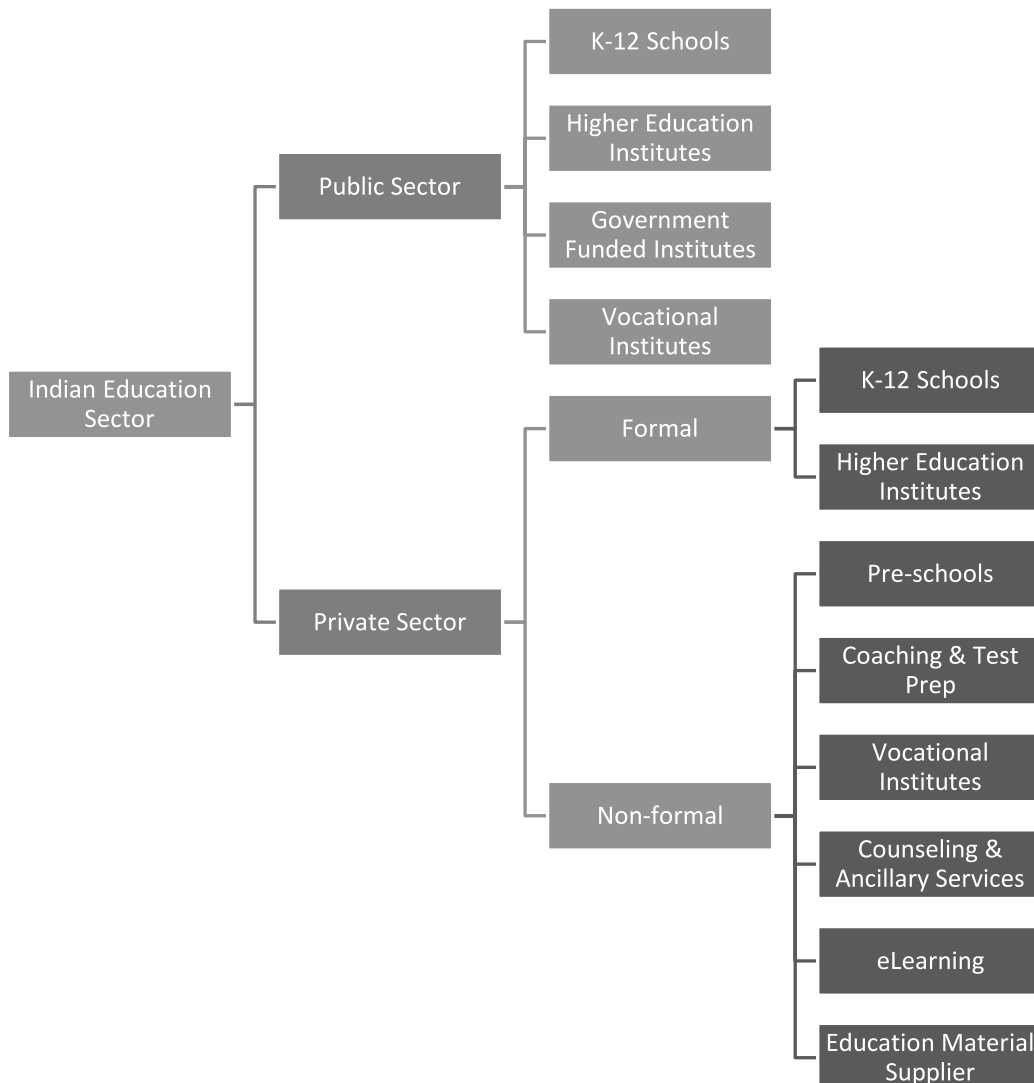
**Date:** 24th June, 2019

# Management Discussion and Analysis

## Industry Overview

Indian Education Sector is one of the largest in the world as it has the largest population in the addressable market segment of age 3 – 23 years. It has one of the largest networks of schools and Higher Education Institutes. The number of schools, colleges, and universities in India reached 1.4 million, 39,050 and 903, respectively by the end of 2017-18. This network catered to 260+ million school going students and higher education enrolments of 36.64 million in FY 2017-18. The education sector in India was estimated at US\$ 91.7 billion in FY 2017-18 and was expected to reach US\$ 101.1 billion in FY 2018-19. The sector faces a vast gap in demand and supply, as it can absorb an additional 200,000 schools, 35,000 colleges, 700 universities, and 40 million vocational training seats. (Source: www.ibef.org)

## Structure



## APTECH LIMITED

### Company Overview

Aptech has successfully created a unique 'Branded Lifecycle Learning Platform' within the private, non-formal segment of the education sector. The Company's business can be broadly divided into two major segments, viz. Retail and Institutional. Retail segment consists of distributed learning delivery through branded franchise centres offering complete lifecycle of pre-job, job-oriented and after-job non-formal training programs. Aptech has adopted and mastered the franchise-based business model for its asset-light nature, scalability and replicability, and has developed it into a platform for offering various Education products at scale in a distributed format. The Company has 6 retail brands, which cater to different verticals and target customer segments, with a presence in more than 40 countries. Aptech's retail brands are leaders in many of the markets where they are present. Most of these retail brands are predominantly focused on enhancing employability of students by providing them job-oriented training for their first job. Under the Institutional segment, Aptech primarily caters to the fast growing vertical of Assessment & Testing solutions for institutional clients. In addition to Assessment & Testing, the segment also includes Corporate Training solutions where Aptech specializes in high volume, large training roll-outs.

### Retail Brands

Brand	Skill Areas	Details
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	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, all the other brands of Aptech are oriented towards skilling (or re-skilling) for employment. The competition for these brands, as seen by the Company, is 'Unemployability'. Aptech's Industry Connect and Placement (ICAP) team is one of the key instruments in this drive to overcome 'Unemployability'. It is the interface between Aptech's brands and industry to not only provide placement opportunities to Aptech students but also to engage with industry for better alignment of the training programs and enrolments with actual skill demand from the industry. They also provide career guidance and conduct soft skill training for students to improve employability.

Most brands offer a wide basket of courses that range from 1 week to 2.5 – 3 years in duration. These courses either offer a 'point skill' or a basket of skills that help the student become employable. While the primary target segment is a Young Adult who is looking for their first job, Aptech offers many courses that cater to re-skilling, hobby and entrepreneurship segments. The pedagogy adopted by Aptech is to provide a holistic learning experience through a blend of in-class and online learning inputs. There is a 50:50 mix of theory and lab/practice with an emphasis to strengthen the execution skills. In order to achieve desired learning outcome across a wide network of centres, the pedagogy includes providing a standardized instruction set for trainers to minimize dependence on trainer's teaching style. Courseware as e-books and additional off-class supplementary learning inputs are provided to students through an online learning platform called OnlineVarsity.

The franchising model adopted by Aptech involves a franchising agreement, typically valid for a three to five year period, for the right to use/respective brand name in a specified territory that requires an upfront payment of a Sign-up Fee (also called as the Technical Know-How fee). On the expiry of the franchise agreement, it may be renewed based on mutual understanding for a period of one to five year period after payment of a Renewal Fee. On an ongoing basis, the franchise partner is given the 'right to access' against payment of a part of the gross student collection towards Royalty (a defined percentage of the collection), Courseware, Exams, Events, Placement Support, etc. to Aptech. There may be additional pay-outs for value-added services along the lines of Train-The-Trainer programs, marketing, alliance fees, etc. Complete student lifecycle is managed through a cloud-based centralized ERP system for franchisees called Atrack.



**Institutional**

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 agencies etc.

• **Aptech Assessment & Testing Solutions**

The main product offered by this division is Computer Aided Assessments. It also offers Digital Evaluation tool for paper based exams, Pen & Paper Assessments and Document Digitalisation tool as separate products. The division has experience of conducting assessments for variety of use cases including high-stake entrance exams, recruitment and screening exams, semester-end exams, competitive/ scholarship exams and corporate assessments. Aptech has end-to-end capabilities to conduct multi-shift, multi-location exams with its own proprietary assessment technology, standardized operations and experienced manpower.

• **Aptech Training Solutions**

The Training Solutions division possesses capabilities to deliver high volume, national training roll-outs for Corporate and Government clients. It specializes in training programs in IT, Soft Skills, Customer Servicing etc. that typically target middle to lower level employees or distribution partners of the customer.

**OPERATIONAL HIGHLIGHTS**

**Domestic Retail**

Main operational highlights for the Domestic Retail business for the year 2018-19 were as follows:

- Aptech’s brands catering to Media & Entertainment (M&E) industry continued to grow at a healthy rate on the back of enrolment growth and network expansion in the Domestic market. With Arena and MAAC, Aptech dominates this vertical through its 325+ active centres across the country.
- Higher value courses such as Trinity 3D (covering the three areas viz. Animation, Special Effects, and Gaming) and Gaming focused career courses such as Advanced Program in Interactive Design & Games were launched in the Media & Entertainment segment.
- A key initiative in utilising new technologies to improve learning outcomes and sales effectiveness was the launch of Augmented Reality enabled e-books and Virtual Reality kits for counselling at Arena and MAAC centres.
- An online platform, Creosouls, to promote greater direct interactions between all the three stakeholders, i.e. students, franchisees and recruiters, was promoted during the year for Arena. This platform saw high level of participation from students, who showcased their portfolio of work, and recruiters, who posted many job opportunities available with them. The platform also enables franchise partners to advertise courses, events and their illustrious students/alumni.
- A brand new interactive and immersive website for Arena Animation was made live during the year.
- Aptech’s Lakmé Academy Powered by Aptech brand became one of the largest organised players in India within the skilling space for Beauty & Styling vertical as the network size crossed 125+ centre sign-ups and 80+ active centres within 3 years of launch.

- During the year, Lakmé Academy also crossed the milestone of successfully training 10,000+ beauty and styling professionals in its lifetime.
- Montana International Pre-School also maintained its swift penetration in the domestic market with focus on creating clusters of network concentration.
- Network rationalization and rejuvenation was the key focus for Aptech Learning brand. New generation courses in Artificial Intelligence & Machine Learning, Data Science, and Software Security were introduced in the IT segment to contemporise the course basket.
- The Company’s primary marketing objective in the reported year was to reach a wider spectrum of audience to increase walk-ins across all brands. With these objectives in mind and a need for creating awareness about alternative careers, the Company appointed Mr. Rahul Dravid as the brand ambassador for Aptech Learning and Arena Animation brands.
- All marketing campaigns at Aptech adopted a mobile first approach given the dominance of mobile in media consumption for its Target Audience.
- Student engagement activities through events, workshops and competitions were taken to an elevated level across brands with enhanced participation in established ones and launch of new platforms.
- The Industry Connect, Alliances & Placements (ICAP) team consistently expanded the universe of available job opportunities for Aptech students across the brands. In addition, they also entered into multiple corporate relationships to support hiring programs of reputed companies with special training programs. A major example of such an alliance is an agreement with Amazon to support its recruitment process for digital artists that includes training by Amazon of centre staff and students.

**International Retail (excluding China)**

With an increased focus on the core franchising business and movement away from low margin project businesses, the key operational highlights for International Retail division of Aptech in the year 2018-19 were as follows:

- The International division’s revenue was majorly impacted by the exit from low margin businesses and projects, registering an overall decline of 34.9%. However, the quality of revenue mix improved with some key franchising markets registering handsome growth and the division contributing sizeably in improving the profitability for the Retail segment as a whole. A key role in this performance was from increasing centre collections on account of enrolment growth in the International markets.
- Some of the markets were impacted by comparatively higher devaluation of local currencies against US Dollar in comparison with Indian Rupee, yet the overall growth of core franchise operations was healthy.
- The Company successfully launched new products such Aptech Certified New-gen Professional (or ACN Pro) with modules on advanced technologies such as Artificial Intelligence/ Machine Learning, Data Science, Software Security in its key markets.
- Augmented Reality enabled e-books were launched for Arena Multimedia courses.

## APTECH LIMITED

- Many new events and activities were conducted by the Company in its key markets to increase student engagement and excitement around the brand. This also resulted in a more enthused and involved network of franchise partners as there was a direct and visible impact of these initiatives on increasing enrolments.
- There was a revival of its business in Latin American region with rights of School Implementation Partner for its Aptech Learning Ladder product assigned to a leading company in Brazil and one centre each of Aptech Computer Education and Arena Multimedia signed up for Honduras.
- Aptech opened its first MAAC centre in the international market in Vietnam.
- The Company has re-strategized and implemented a new approach for the Assessment division. It has moved away from a strategy of focusing on large deals and to consciously expand the customer base with a focus on small and medium sized deals with relatively lower operational complexities. In order to minimise execution risks. Based on this approach, specific customer segments that total up into a significant opportunity size for the Assessment division to grow have been identified.
- The fixed costs for the division, including offices, IT and manpower, were rationalized in line with the expected revenue run-rate going forward. However, the maximum impact of these measures was realised only towards the end of the year.
- Technical enhancements were made to the Assessment tool to further strengthen the security.
- In addition to the Assessment and Digital Evaluation products, the Company also launched a new tool for digitalisation of documents, which offers significant opportunity in the Education segment.
- The Corporate Training business also saw a reversal on account of change in business strategy of its largest client resulting in loss of business.
- The Company's new strategy started showing result in the last quarter of the reported year as the Institutional segment delivered revenue growth on a YOY basis and was profitable in that quarter, as against decline in revenue on a YOY basis and reporting losses in previous three quarters.

### Retail Revenue (Rs. Lakhs)

Sub-Segment	FY 2017-18	FY 2018-19	Variance
Domestic Retail	9,470	10,787	13.9%
International Retail	5,082	3,306	-34.9%
<b>Grand Total</b>	<b>14,552</b>	<b>14,093</b>	<b>-3.2%</b>

### Centre Network (# of active centres at the end of year)

Sub-Segment	FY 2017-18	FY 2018-19
Domestic Retail	574	650
International Retail	121	127
<b>Grand Total</b>	<b>695</b>	<b>777</b>

### BJB Career Education (China)

In 2000, Aptech entered the IT training market in China through a 50:50 JV (BJB Aptech) with Beida Jade Bird (BJB). Driven by the economic growth and the government's thrust to make China an important IT outsourcing nation, the IT training market in China has seen strong growth over the last two decades. Aligning itself to this growth, Aptech restructured its stake in the China JV in 2009. It divested its 50% stake in the JV and invested the proceeds in the holding company, BJB Career Education Company Ltd. (BJBC). Aptech currently holds 22.4% stake in BJBC and also has a Board seat. BJBC's main lines of business are vocational IT training (BJB Aptech) and distribution of vocational IT educational content to high schools, colleges and universities.

BJBC has not been, for the last about five years, furnishing its financials to its investors, nor have they been convening Board/General body meetings. In order to establish investor protection, and also as a measure of Corporate democracy and transparency, a few major investors got together and filed appropriate petitions in the Honourable Court of Cayman Island and obtained favourable orders. The same is now being pursued to be served in Beijing, PRC where the company's office is situated, in order to take the matter further and thus conclusively establish shareholders' rights. In the absence of availability of the audited financial statements of BJBC to its investors, and other recent financial information, the Company, at present, is not in position to estimate its fair value. The said investment is carried at cost, i.e. Rs. 10,813 lakhs, being an appropriate estimate of fair value, in accordance with Ind AS.

### INSTITUTIONAL BUSINESS

Important developments for the segment across Assessment and Training divisions in FY 2018-19 were:

- The decline of 19.1% in Institutional segment revenue was mainly a result of strategic realignment temporarily impacting business traction for the Assessment business.

### Awards & Recognitions

- The Enterprise Business division of the Company and its subsidiary Attest Testing Services Limited was certified by CMMI® Institute at Capability Maturity Level 3 for their work and processes.
- In March 2019, Aptech received the Golden Peacock National Training Award 2019 from the Institute of Directors, India for its excellence in training practices at the Company as a whole.
- Flagship 'Aptech' and 'Arena Animation' brands were conferred with the "Brand of the Decade" award in the Education Space by Brand Advertising Research and Consulting Asia and Herald Global in May 2018.
- For the 16<sup>th</sup> consecutive year from 2003 onwards, Aptech Vietnam received the Top ICT award from HCM Computer Association, Vietnam in the Training category

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

- MAAC student film 'The Game of Life' won multiple awards such as Best Animation (Student) category at the 8<sup>th</sup> Dada Saheb Phalke Film Festival 2018, the "Next Gen Award" at the prestigious 20<sup>th</sup> Digicon 6 Asia Awards 2018 and Best Animation Film (Student) at the 7<sup>th</sup> Bangalore Shorts Film Festival 2018. The film was also selected for screening at the 2018 Palm Springs International Animation Festival (PSIAF) of California, USA.
- MAAC student film "Gulal...Love always wins" was shortlisted for screening at the Lift-off Film Festival in London, UK.
- Three MAAC student films "Soldiers – Our Superheroes", "Birju Ki Patang" and "Roshni" won the top 3 awards for Best Animation Film (Student) at the Chitra Bharati Film Festival 2018.
- A student of web development at Aptech Learning won the much coveted IndiaSkills 2018 competition in the Web Technologies category.

**Consolidated Financial Performance**

The Company's Total Operating Revenue on a consolidated basis for the year ended March 31, 2019 stood at Rs. 20,855 Lakhs, reflecting a de-growth of 9.0% against the previous year. This decline as compared to 8.0% YOY growth in FY 2017-18 was on account of the decision to exit from low margin businesses and projects in the International Retail segment and drop in Institutional revenue. Retail segment revenue growth would have been 6.5% on a like-to-like basis, excluding the discontinued revenue streams, as against de-growth of 3.2% on reported basis. The profitability for the Retail segment went up because of the inbuilt operating leverage and better revenue mix. The Operating EBIT margin of Retail segment went up by 5.7% from 32.1% in the preceding year. This translated to a growth of 14.0% in Operating EBIT for the Retail segment on an absolute basis. The Institutional segment posted a loss at the Operating EBIT level due to a decline in revenue and relatively higher fixed costs. Overall Operating EBIT was 14.9% higher than the previous year.

The Other Income declined by 18.7% to Rs. 417 Lakhs majorly on account of one-time reversal of provisions leading to higher Other Income in the previous year. Profit Before Tax (before Exceptional Item) went up by 6.6%. In the previous year, the Company earned an exceptional income of Rs. 1,556 Lakhs from the sale of land and property, after netting of expenses associated with the sale. Hence, Profit Before Tax (after Exceptional Item) went down by 38.8% as compared to FY 2017-18. The Income Tax expenses on current income were lower by 24.7% on account of lower Corporate Tax rate of 25% (+ surcharge) applicable on companies with a turnover lower than Rs 250 crores from AY 2019-20 onwards. However, overall tax expenses went up by 12.7% as the deferred tax assets recognized during the financial year were lower than the previous year. Profit After Tax went down from Rs. 3,287 Lakhs in the previous year to Rs. 1,822 Lakhs, a decline of 44.6%. Overall basic EPS for the year was lower at Rs. 4.57 as against Rs. 8.24 in FY 2017-18. Debt on the balance sheet continued to be nil. Cash, Cash Equivalents & Investment in Financial Instruments amounted to Rs. 6,331 Lakhs as on March 31, 2019.

**Segment – wise Financial Performance**
**(Rs. in Lakhs)**

	FY 2017-18	FY 2018-19	Variance	FY 2017-18	FY 2018-19	Variance
<b>Segment</b>	<b>Retail</b>			<b>Institutional</b>		
<b>Operating Revenues</b>	14,552	14,093	-3.2%	8,362	6,762	-19.1%
<b>Operating EBIT</b>	4,673	5,326	14%	1,046	-1,011	-196.7%
<b>Capital Employed</b>	2,570	2,052	-20.2%	3,716	4,414	18.8%

**Changes in Key Financial Ratios**

Ratios	FY 2017-18	FY 2018-19	Variance	Explanation (for > 25% variance)
Debtor Turnover	116 days	133 days	14.9%	-
Interest Coverage Ratio	Debt Free	Debt Free	-	-
Current Ratio	3.21	2.84	-11.5%	-
Debt Equity Ratio	Debt Free	Debt Free	-	-
Operating Profit Margin	6.96%	8.78%	26.1%	<ul style="list-style-type: none"> <li>Increase in Retail EBIT because of growth in Domestic Retail revenue and better Retail revenue mix.</li> <li>Net write back of ESOP expenses on account of the lapsed/cancelled ESOPs that will not vest.</li> </ul>
Net Profit Margin	14.03%	8.56%	-39.0%	<ul style="list-style-type: none"> <li>Exceptional income of Rs. 1,556 Lakhs in FY 2017-18.</li> </ul>
<b>Return on Net Worth</b>	<b>11.77%</b>	<b>6.53%</b>	<b>-44.5%</b>	<ul style="list-style-type: none"> <li>Exceptional income of Rs. 1,556 Lakhs in FY 2017-18.</li> </ul>

**Material Developments in Human Resources**

Aptech has implemented innovative practices and invested in best in class processes to develop an enabling environment for its workforce. During the reported year, major initiatives were to strengthen the HR management application 'Genie' to bring further efficiencies in HR interface processes and transition from a Performance Appraisal process to a comprehensive Performance Management paradigm. In line with its main customer segment, Young Adults, Aptech has in the last few years made a concerted attempt to reduce the average age of its talent pool. To this end, it has recruited 25+ management trainees during the reported year in line with its efforts in previous years and has invested significantly to develop them into competent and capable Education sector professionals through mentorship and wide exposure.

Aptech's talent pool is the key ingredient of its success as an Education and Training organization. They form the bedrock on which Aptech's robust delivery processes are built. The people processes at the Company are geared towards increasing workforce productivity and have been certified to be at People Capability Maturity Level 3. It also received the prestigious Golden Peacock Award for excellence in training. The Company on an ongoing basis conducts events, employee engagement activities, collaborative CSR campaigns and training programs to succeed in having an engaged and motivated workforce.

The employee strength of the Company as on March 31, 2018 was 505, and it came down to 480 as on March 31, 2019. The average attrition rate for the year was 20%.

## APTECH LIMITED

### Opportunities and Threats

Key opportunities and threats facing Aptech are as follows:

#### Opportunities

1. Aptech is catering only to less than 1% of the total undergrad population, which is a potential target segment for courses boosting employability. Hence, there is a large unaddressed market in its current segment of Vocational Training.
2. Large addressable opportunity in the broader Education sector as Aptech is currently addressing only one segment of Vocational Training. New guidelines by the University Grants Commission (UGC) for the introduction of B. Voc. courses by Higher Education Institutes can be a long term threat, and yet it can be an opportunity in the medium term by entering into collaborations with universities.
3. Lack of employability of the graduate pool and shortage of skilled manpower in the industry is the primary opportunity that is exploited by Aptech. This gap is being felt in the verticals already addressed by Aptech and other verticals such as Wellness, Logistics, Trade, etc. which offer an additional growth opportunity for the Company.
4. In most developing countries, there is a dearth of quality and organized sector private education companies, and on top of that capacity constraints in the formal sector, translates into significant opportunity for Aptech's brands to meet this need. Aptech is present only in ~40 countries and there are many more developing countries which offer a sizeable universe of opportunity for expansion.
5. Governments and multi-lateral institutions across the world are increasing investments in skill and capacity development for inclusive economic growth of developing countries. With its experience of successfully offering such skilling programs across many developing countries, Aptech is well placed to cater to demand for replicable and scalable programs that may arise due to the aforementioned trend.
6. Push for digitization across all government and public institutions in line with the Digital India mission, will not only lead to increased opportunity for training in digital skills but also create new customer segments for digital tools offered by the Assessment division for testing and evaluation.

#### Threats

1. Aptech's programs address a gap in skill levels as required by industry in its recruits and those imparted by formal education sector to its students. Nimble-footed formal education institutes may shape up and bridge this gap themselves to take away this market from Aptech. With their advantage of 'qualification', Formal sector shall remain one of the foremost threat for Aptech.
2. Continued patronage of Aptech's programs by students depends upon its placement record. In turn, Aptech's ability to place its students is linked to it being a reliable and leading supplier of good quality talent to the industry. Any alternative sources for hiring of manpower or in-house training of fresh graduates by the industry are therefore a substantial threat to Aptech's relevance for the industry from a sourcing perspective. If this relevance is lost, it may set-off a self-reinforcing negative feedback loop and impact Company's performance in that specific vertical.

### Macro Outlook

#### India

The Central Statistical Office (CSO) estimate for growth in India's GDP in the year 2018-19 was 7% lower, a tad lower than the 7.2% growth in 2017-18. The reported quarterly numbers showed a declining trend with 8%, 7% and 6.6% growth in Q1 to Q3. With multiple micro indicators such as lower consumption of consumer goods, slowdown in automotive sales, etc. in the final quarter of the year, reflected further deceleration in the economy with the actual number for the full year likely to be lower than the CSO estimate. Some of the factors which impacted the economy were NBFC credit crisis and resulting squeeze on liquidity, volatility in energy prices and currency markets, farm crisis, pull back in Government spending and more. Impact of trade wars and listless global economy further worsened the situation. Indian economy, however, maintained its leadership position as the fastest growing large economy during the first 9 months.

The economic slowdown, consistently lower inflation vis-à-vis the targeted midpoint of 4% and slower pace of monetary tightening by United States Federal Reserve among other factors helped the Reserve Bank of India (RBI) to reduce its repo rate by 25 bps in each of its last two monetary policy meetings of February and April 2019. Headline inflation marker the Consumer Price Index for the year 2018-19 was expected to be 3.4%. The monetary easing was expected to continue with high possibility for further rate reductions in 2019-20. Overlay of other factors such as return of NDA government with a larger majority and expected emphasis on reforms, easing liquidity pressure and a temporary spending spurt from elections may lead to recovery in pace of economic activity. However, overhang of weak global economy and muted private investment are expected to act as a dampener. Hence, growth projection for 2019-20 by RBI for India's GDP was only 7.2%.

#### International

Materialization of downside risks such as trade war, liquidity squeeze and structural issues in some major economies impacted prospects of global economy leading to flagging momentum in the year 2018. The economic recovery seen since 2016 started sputtering in the second half of the year as volatility in energy and commodity markets further negatively impacted the momentum. The world economy was not expected to recover from the effects of these adverse effects and continued policy uncertainties were likely subdue the economic growth in 2019. World Economic Outlook report released by the International Monetary Fund in April 2019 shows this declining trend in world economic growth with 3.8% growth in 2017, estimated 3.6% in 2018 and further down to 3.3% in 2019. The report further postulated that the 2019 projection came with further downside risks. The Advanced Economies were projected to be a bigger drag than the emerging market and developing economies block in the year 2019. The effects of tax cut booster shot was expected to wear off in United States. The Euro area was affected by diverse factors across its major economies, major among them were threat of a no-deal Brexit, weakening consumer and business sentiments, political and fiscal uncertainty in some of its member countries. Advanced Economies were expected to grow at 4.5% in 2018 and 4.4% in 2019. On the other hand, the emerging market block was expected to lose pace marginally from 4.5% in 2018 to 4.4% in 2019 in spite of threat of trade tensions.

Aptech's presence is chiefly in the emerging and developing economies. While economic outlook remains important, political situation, regulations and currency market movements have a direct and immediate impact on Aptech's operations. GDP growth estimates from IMF's WEO report for Aptech's major international markets are provided below:

Country	% GDP Growth in 2017 (A)	% GDP Growth in 2018 (E)	% GDP Growth in 2019 (P)
Nigeria	0.8%	1.9%	2.1%
Qatar	1.6%	2.2%	2.6%
Saudi Arabia	-0.7%	2.2%	1.8%
Vietnam	6.8%	7.1%	6.5%
United Arab Emirates	0.8%	1.7%	2.8%

### Company Outlook

While the broader economic outlook remains mixed, industry level trends for the verticals addressed by Aptech offer a positive growth outlook. Trends that reflect the need for increased manpower in these industries are captured below:

1. There is an explosion of content creation that is being experienced in the Media & Entertainment industry with the advent of OTT content providers, online channels and social media video platforms such as TikTok. In addition to this, gaming and online sports industry are growing at exponential rates. Hence, the need for skilled manpower in the Media & Entertainment industry segments relevant to Aptech is expected to continue to grow in the medium term.
2. IT industry is expected to see a higher gross recruitments in FY 2019-20. There will be increasing need for IT manpower with digital skills even in the broader industry.
3. While the airline industry in India is facing turmoil with the Jet Airways crisis, there are other factors such as increasing passenger numbers, growing network of operational airports, and expansion and modernisation of existing airports that will create demand for manpower with requisite skills in Aviation industry.
4. Hospitality industry is seeing higher occupancy rates and investments in capacity expansion after a prolonged slump. Tourist footfalls have seen a consistent uptick in the last few years. Given the manpower intensive nature of these industries, growth in revenues is expected to translate into a demand for skilled manpower.
5. Developing countries such as India are the regions where Beauty & Styling industry is expected to grow the maximum with increasing levels of affluence. There is also a shift towards organized players in this industry. This is expected to lead to greater number of opportunities for pass-outs of Lakme Academy.
6. The preschool segment is expected to grow at a CAGR of over 20% with the share of branded preschools expected to increase above 30% in the overall pie because of growing awareness among tier 2 and tier 3 cities.

Given these positive industry trends for employment and preschool enrolments, Aptech's Domestic Retail business is expected to continue to perform well in the coming years. In conjunction with the positive environment, Aptech's strategies focused on 'Employability', better network quality and greater marketing intensity are expected to deliver the growth. Promotion of skilling by the Indian Government is likely to increase the acceptance of skill-led training vis-à-vis excessive focus on qualification-led education thus creating an enabling environment for Aptech's brands.

In the International market, the focus will continue to be on existing large markets and growing the second-tier markets. With a major

part of the low margin business discontinued and the additional lever in the form of network expansion, the International Retail division is expected to grow both in terms of revenue and profits. Most of the large markets where Aptech is present are seeing industry-level trends similar to those seen in India, though at a lower scale. In addition to 'Employability', in the international market, Aptech's value proposition also includes exit route to international qualifications. The Company expects to sign many more alliances to offer a greater basket of such options to its students leading to greater enrolments.

With the increasing focus on digitisation, computer based assessment and testing continue to see increasing acceptance and adoption in the country. After adoption for large scale, high-stake recruitment and entrance exams, computer based assessments have been adopted at relatively smaller scale by many different customer segments. These segments offer a comparatively smaller size of deals, but without any critical complexities and volatility of large scale exams. Aptech has chosen to consciously focus on such deals and this strategy is expected to deliver growth in the coming period. With the addition of Digital Evaluation and Digitisation tools in its repertoire, Aptech will be able to capture a larger value of business from customers in some of the segments, such as Educational institutes.

### Risks, Challenges and Concerns

The major strategic risks and challenges faced by Aptech are as follows:

- In the event of a broader economic slowdown, parents and students may not opt for enrolling in Aptech programs as they are non-formal and most of them are not considered as a 'safe career option' like traditionally favored professions in Engineering, Medicine, Law, etc. Economic slowdown may also affect the pace of growth of the franchise network.
- While regulatory risks may affect the Company at multiple levels, at the strategic level impact of abrupt or wholesale changes in regulations may turn Aptech's business model unviable or legally invalid.

In addition to these strategic risks, the Company also faces many operational and financial risks. Foremost among those are as follows:

- Apart from the loss of potential business due to lack of interest or non-performance by franchise partners, the franchise model also exposes the Company to service quality risks, brand risks, revenue leakage risks, etc.
- Fast pace of changes in technology and industry practices can make Aptech's programs obsolete very quickly and lead to loss of income.
- Various type of project execution risks such as lack of appropriate and adequate resources, faulty estimation and project budgeting, lack of discipline in following project plan, external threats of cheating, mal practices or political interference may lead to project delays and/ or non-performance. This may result in penalties, loss of project/customer, loss of reputation, etc.
- Presence in nearly 40 countries exposes Aptech to foreign currency volatility risk, currency repatriation risk, political risk, security risk, etc.
- Risk of non-collection of receivables from the franchise partners and institutional clients.

All these risks are managed at appropriate levels and in a suitable manner. A comprehensive Risk Management policy has been formulated that identifies major risks and defines management and mitigation approaches. Some of the risk management and mitigation strategies are listed below:

## APTECH LIMITED

- New strategies such as change in approach to business from 'Enrolment driven Employment' to 'Employment driven Enrolment', formation of ICAP team to address Recruiters, who have been defined as one of the key stakeholders, etc. to ensure market relevance.
- Portfolio diversification from a vertical, brand, product and geography perspective to spread performance risk.
- Continuous increase in adoption of technology in the academic and delivery processes to improve learning outcomes, engagement and value to stay only a step ahead of the market trends.
- Investment in research and development and IP creation, to promote innovation.
- Enforce advance payments, at least for a part of the project value, in contracts with institutional clients. Impose deposition of full payment by a student into an escrow account controlled by Aptech where feasible and then disburse their share to the franchise partners. Link franchise support and student deliverables to Aptech receiving its due share.
- Documented process manuals and published guidelines, which are reviewed and updated periodically. Alignment of processes in line with the CMMI standards.
- Stringent standards for franchise partner selection, and robust Network support and monitoring systems to minimise franchise associated risks. This includes extensive use of Aptech's own cloud-based ERP and learning platforms to manage all processes across student lifecycle.
- Continuous monitoring and control of business performance to ensure faster identification and evaluation of developing risks.
- Disaster recovery and business continuity plan.

### Internal Controls and Their Adequacies

The Company has a well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls to manage its business operations. Purpose of these elements is not only to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, but also to prevent malpractices, fraud and misappropriation of resources. The Company has always upgraded its internal control systems in line with the global best practices. In addition to the internal checks and balances, these controls are supplemented through external audits for business functions and financial records. All the control systems and audit results are periodically reviewed by the appropriate committees comprising of Board of Directors and corrective actions taken to address any non-compliances or faults.

### 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 REPORT

### 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 number 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/she 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 2019 under review, the Board of Directors met 4 times on 30<sup>th</sup> May, 2018, 26<sup>th</sup> July, 2018, 25<sup>th</sup> October, 2018 and 11<sup>th</sup> February, 2019. 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 26<sup>th</sup> July, 2018, 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 2019	Whether attended AGM held on 26 <sup>th</sup> July, 2018	Names of listed companies where the person is director and the category of directorship as on 31 <sup>st</sup> March 2019	No. of Committee positions held in other public listed companies incorporated in India as on 31 <sup>st</sup> March 2019	
					Chairman	Member
Mr. Rakesh Jhunjhunwala, Chairman	Promoter Non-Executive	4	Yes	1. Delta Corp Ltd – Director 2. Geojit Financial Services Ltd – Director	Nil	Nil
Mr. Anil Pant, Managing Director & CEO	Non Independent Executive	4	Yes	Nil	Nil	Nil
Mr. Ninad Karpe	Non – Executive Non Independent	4	Yes	Nil	Nil	Nil
Mr. Asit Koticha	Independent	4	No	Nil	Nil	1
Mr. Rajiv Agarwal	Non-Executive	4	Yes	Nil	Nil	Nil
Mr. Ramesh. S Damani	Independent	3	Yes	1. Avenue Supermarts Limited – Director	1	3
Mr. Utpal Sheth	Non-Executive	4	Yes	1. NCC Ltd – Director 2. Cinline India Limited – Director	Nil	1
Mr. Vijay Aggarwal	Independent	4	Yes	1. Exide Industries Ltd – Independent Director 2. Prism Johnson Ltd – Managing Director & KMP	1	2
Ms. Madhu Jayakumar	Independent	4	Yes	1. Multi Commodity Exchange of India Limited- Director	Nil	1
Mr. Madhusudan Kela	Independent	3	Yes	Nil	Nil	Nil
Mr. Nikhil Dalal*	Independent	3	Yes	Nil	Nil	Nil
Mr. Anuj Kacker, Wholetime Director	Non Independent and Executive	4	Yes	Nil	Nil	Nil

\*Mr. Nikhil Dalal was appointed as an Independent Director on 30<sup>th</sup> May, 2018

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**Note:** 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.

### Other Provisions:

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 2019, except for the payment of Sitting Fees, Commission made to them 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, 2019. Necessary declaration to this effect signed by the Managing Director forms a part of the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2019.

The Board has identified 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, academic, strategy & operations, marketing and HR.

### 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, 2019 is as follows:-

Mr. Vijay Aggarwal (Chairman)

Mr. Ramesh S. Damani

Mrs. Madhu Jayakumar

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 to be 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 (in case 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 30<sup>th</sup> May, 2018, 26<sup>th</sup> July, 2018, 25<sup>th</sup> October, 2018 and 11<sup>th</sup> February, 2019 with a gap of not more than four months. The details of the meetings attended by the Directors are given below:

Names of Members	Category	No. of Meetings attended during the year ended 31 <sup>st</sup> March 2019
Mr. Vijay Aggarwal – Chairman	Independent	4
Mr. Ramesh S. Damani	Independent	3
Mrs. Madhu Jayakumar	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 30<sup>th</sup> May, 2018

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

Names of Members	Category	No. of Meetings attended during the year ended 31 <sup>st</sup> March 2019
Mr. Ramesh S. Damani – Chairman	Independent	1
Mr. Asit Koticha	Independent	1

Mr. Anil Pant, Managing Director & CEO was inducted in the said committee on 11<sup>th</sup> February, 2019

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

**Status of Complaints received during the year ended March 31, 2019:**

Nature of Complaints	Received	Resolved	Pending
Relating to Transfer, Transmission etc.	0	0	Nil
Other / Miscellaneous	6	6	Nil
<b>TOTAL</b>			Nil

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### Pending Transfers:

There were no pending transfers as on 31<sup>st</sup> March 2019.

### INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 11<sup>th</sup> February, 2019, 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. Asit Koticha
- Mr. Madhusudan Kela
- Mr. Vijay Aggarwal

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 Directors fulfill the above criteria.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee was formed by the Board of Directors on 13<sup>th</sup> May, 2014 and consists of three Directors. The composition of committee as on 31<sup>st</sup> March 2019 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 as amended on 7<sup>th</sup> February, 2018 is given in the Company's website.

During the year under review, the Committee met 2 times on 30<sup>th</sup> May, 2018, and 11<sup>th</sup> February, 2019

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

Names of Members	Category	No. of Meetings attended during the year ended 31 <sup>st</sup> March 2019
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 30<sup>th</sup> May, 2018, 26<sup>th</sup> July, 2018, 25<sup>th</sup> October, 2018. The composition of the Committee along with the details of the meeting attended by the Directors is given below:

Names of Members	Category	No of Meetings attended during the year ended 31 <sup>st</sup> March 2019
Mr. Vijay Aggarwal – Chairman	Independent	3
Mr. Utpal Sheth	Non-Executive	3
Mr.Ramesh.S.Damani	Independent	3

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

- To determine the Company's policy on specific remuneration packages for Managing Director/Whole-time Director including pension rights and any compensation payment.
- 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.

### 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:

Particulars of remuneration	(Period: 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019) Amount (in ₹ lakhs)
Salary & Allowances	237.43
Contribution to Provident Fund, Superannuation Fund	12.38
<b>TOTAL</b>	<b>249.81</b>

During the year ended 31<sup>st</sup> March 2019, the remuneration paid to Mr. Anil Pant has exceeded the limits specified under the Section II of the Part II (as revised) of Schedule V of the Companies Act, 2013 by ₹ 9.81 lakhs. The company shall obtain the approval for waiver of excess remuneration paid to Mr. Pant from the shareholders at the ensuing annual general meeting.

The Shareholders had at the annual general meeting held on 30<sup>th</sup> September, 2013, approved appointment of Mr. Anuj Kacker as Whole time Director of the Company for the period from 1<sup>st</sup> November 2012 to 31<sup>st</sup> October 2017. He has been reappointed for a further term of 5 years upto 31<sup>st</sup> October, 2022 by the Board of Directors at its meeting held on 24<sup>th</sup> May, 2017. Consent of the Shareholders at the Annual General Meeting held on 31<sup>st</sup> July, 2017 in respect of his re-appointment and remuneration was obtained.

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

Particulars of remuneration	(Period: 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019) Amount (in ₹ lakhs)
Salary & Allowances	138.49
Contribution to Provident Fund, Superannuation Fund	7.34
<b>TOTAL</b>	<b>145.83</b>

Details of shareholding of non-executive directors other than promoter directors in the Company as on 31<sup>st</sup> March 2019 are as follows:

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

Considering the valuable contributions made by the Independent Directors, ₹ 11.50 lakhs as commission was paid to the Independent Directors for the financial year 2018-19 being 1% of net profits computed in accordance with Section 198 of the Companies Act, 2013 as under:

Name of Director	Commission for the year 2018-19 (₹ in Lakhs)
Ramesh Damani	4.00
Vijay Aggarwal	4.00
Madhu Jayakumar	3.00
Asit Koticha	0.50
Total:	11.50

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 2019 are as follows:

Name of Director	Sitting Fees (₹ in Lakhs)
Asit Koticha	1.20
Rajiv Agarwal	1.20
Ramesh S. Damani	2.00
Utpal Sheth	1.40
Vijay Aggarwal	2.40
Madhu Jayakumar	2.20
Ninad Karpe	0.80
Madhusudan Kela	0.80
Nikhil Dalal	0.60
Total:	12.60

#### Subsidiary Companies:

As on the close of the accounting year ended 31<sup>st</sup> March 2019, turnover of Maya Entertainment Limited (earlier known as Avalon Aviation Academy Private 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 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 <http://www.aptech-worldwide.com/downloads/aptech-policy/Policy-Aptech-RPT.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

## APTECH LIMITED

the various issues faced by them within the Company and the same are noted by the HR Division for escalation and necessary resolution.

- (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, interlia 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) 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>

### 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 March 31st, 2019 .

### Certificate from Company Secretary in Practice:

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.

### GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings held from the year 2015-16 to 2017-18 are given below, in the ascending order:

2016-2017: (i) The Sixteenth Annual General Meeting of the company was held on 27<sup>th</sup> September, 2016 at MC Ghia Hall" , Suryodaya banquets Pvt Ltd, 18/20, 2<sup>nd</sup> floor, Bhogilal Hargovindas Building, K Dubhash Marg, Kalaghoda, Behind prince of Wales museum, Fort, Mumbai – 400001 at 4.00 P.M.

2017-2018: (ii) The Seventeenth Annual General Meeting of the company was held on 31<sup>st</sup> July, 2017 at "MC Ghia Hall , Suryodaya banquets Pvt Ltd, 18/20, 2<sup>nd</sup> floor, Bhogilal Hargovindas Building, K Dubhash Marg, Kalaghoda, Behind prince of Wales museum, Fort, Mumbai – 400001 at 4.00 P.M.

2018-19: (iii) 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 04:00 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 17th 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 Karvy Fintech Private Limited to facilitate e-voting.

### Details of the Special Resolutions passed during the last three years including in the previous three Annual General Meetings:

At the Sixteenth Annual General Meeting held on 27th September, 2016, Special Resolution was passed pertaining to:

- (i) payment of commission to Non-executive directors by way of commission (over and above the payment of sitting fees) to the Directors of the Company other than the Managing and Whole-time Directors of the Company, a sum not exceeding 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 during the financial year."
- (ii) Appointment of Mr. Anil Pant as Managing Director with effect from 3<sup>rd</sup> November, 2016 upto 20<sup>th</sup> July, 2021
- (iii) Approval of Employee Stock option Plan 2016 and grant of 44,32,620 Employee Stock Options being 11.11 % of the paid up equity capital of the Company as on 31<sup>st</sup> March, 2016 to the permanent employees of the Company and its wholly owned subsidiaries including directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided solely by the Board under the Plan, exercisable into not more than 44,32,620 fully paid-up Equity Shares in the Company in aggregate of face

value of ₹ 10 each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

(iv) Grant upto 13,29,780 employee stock option to the Managing Director of the Company (being 30% of the total Employee Stock Options granted) exercisable into not more than 13,29,780 fully paid-up Equity Shares in the Company in aggregate of face value of ₹ 10 each, through new issue of shares at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations

(v) Implementation of Aptech Limited Employee Stock Option Plan 2016 through issue of new shares to the Employees

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

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

(ii) Waiver of excess remuneration paid to Mr. Ninad Karpe for the financial years 2014-15, 2015-16

(iii) Waiver of excess remuneration paid to Mr. Anuj Kacker for the financial years 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.

(ii) Re-appointment of Mr. Ramesh Damani as an Independent Director.

(iii) Waiver of excess remuneration paid to Mr. Anil Pant for FY 2017-18

(iv) Waiver of excess remuneration paid to Mr. Ninad Karpe for FY 2015-16.

**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 : Monday, 22<sup>nd</sup> July, 2019 at 4.00 p.m at "KamalNayan Bajaj Hall", Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021.

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 of the Annual General Meeting to be held on 22<sup>nd</sup> July, 2019.

**Financial Calendar:**

- A. Next Financial Year : 1st April 2019 to 31st March 2020
- B. First Quarter results : to be published by 14<sup>th</sup> August 2019
- C. Second Quarter results : to be published by 14<sup>th</sup> November 2019
- D. Third Quarter results : to be published by 14<sup>th</sup> February 2020
- E. Results for the year ending 31<sup>st</sup> March, 2020 : to be published by 30<sup>th</sup> May 2020
- F. Date of Book Closure : 19<sup>th</sup> July, 2019 to 22<sup>nd</sup> July, 2019 (Both days inclusive)

**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, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
 (ii) The National Stock Exchange of India Limited, Exchange Plaza, 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 2018-19.

**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

## APTECH LIMITED

### Market Information:

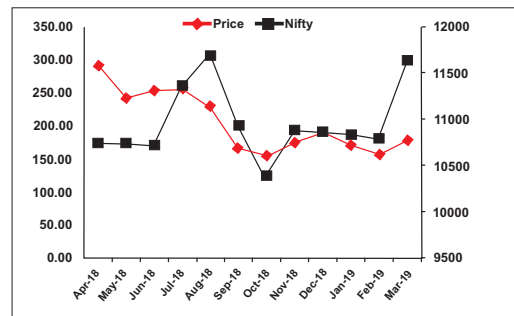
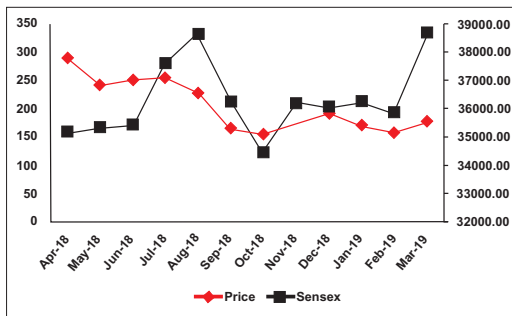
Aptech Share Price Data:

Month and Year	BSE Limited		The National Stock Exchange of India Limited	
	₹		₹	
	High	Low	High	Low
Apr-18	302.00	258.00	302.45	258.00
May-18	294.85	212.00	294.60	217.20
Jun-18	283.15	222.50	284.00	221.80
Jul-18	264.30	235.00	264.30	232.00
Aug-18	258.00	225.80	256.50	226.00
Sep-18	231.40	155.25	231.75	155.05
Oct-18	192.40	120.60	191.00	120.00
Nov-18	182.55	153.50	182.80	153.30
Dec-18	207.75	155.95	207.55	156.05
Jan-19	210.00	164.60	209.90	164.45
Feb-19	179.85	146.95	179.95	146.50
Mar-19	190.25	158.05	190.70	157.85

(Source: www.bseindia.com and www.nseindia.com )

### Stock Performance:

Performance in comparison to BSE SENSEX



**Registrar and Share Transfer Agents:** M/s. Karvy Fintech Pvt. Ltd.  
 Karvy Selenium, Tower B, Plot 31-32, Gachibowli,  
 Financial District, Hyderabad - 500 032  
 Tel No : +91 40 6716 2222  
 Fax No: + 91 40 2342 0814  
 Email: einward.ris@karvy.com

### Share Transfer System:

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

Such transfers are normally processed within 30 days from the date of receipt; the documents are in order in all respects. The Stakeholders' Relationship Committee usually approves the transfer of shares once in every 15 days.

### 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/TransfertolIEPFsuspanseaccount.pdf>

The dates by which the unclaimed dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of declaration	Rate of dividend per share (₹)	Due date for transfer to IEPF
2011-12 (Final Dividend)	20/07/2012	1.50	19/07/2019
2012-13 (Interim Dividend)	22/01/2013	1.50	21/01/2020
2012-13 (Final Dividend)	30/09/2013	2.50	29/09/2020
2013-14 (Interim Dividend)	20/01/2014	2.00	19/01/2021
2013-14 (Interim Dividend)	13/05/2014	2.50	12/05/2021
2014-15 (Interim Dividend)	09/02/2015	1.50	08/02/2022
2014-15 (Interim Dividend)	29/04/2015	1.75	28/04/2022
2015-16 (Interim Dividend)	03/02/2016	1.00	02/02/2023
2016-17 (Interim Dividend)	24/05/2017	3.00	23/05/2024
2017-18 (Interim Dividend)	30/05/2018	3.50	29/05/2025

**Distribution of Shareholding :**

No. of Equity shares held	As on March 31, 2019				As on March 31, 2018			
	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding
1-500	60786	95.05	4180542	10.48	61520	95.37	4121080	10.33
501-1000	1525	2.38	1220189	3.06	1454	2.25	1155600	2.90
1001-2000	755	1.18	1157328	2.90	718	1.11	1096904	2.75
2001-3000	284	0.44	728510	1.83	253	0.39	652331	1.64
3001-4000	142	0.22	504892	1.27	120	0.19	425937	1.07
4001-5000	121	0.19	575098	1.44	114	0.18	539469	1.35
5001-10000	166	0.26	1198922	3.01	143	0.22	1028936	2.58
10001 and above	175	0.27	30328079	76.02	188	0.29	30873303	77.39
<b>TOTAL</b>	<b>63954</b>	<b>100.00</b>	<b>39893560</b>	<b>100.00</b>	<b>64510</b>	<b>100.00</b>	<b>39893560</b>	<b>100.00</b>

**Categories of shareholding:**

Sr. No.	Category	As on March 31, 2019			As on March 31, 2018		
		No. of Shareholders	No. Of Shares	Voting Strength	No. of Shareholders	No. Of Shares	Voting Strength
1	Promoter & Promoter Group	6	19742540	49.49	6	19667540	49.30
2	Mutual Funds	2	1869	0.00	2	1869	0.00
3	Banks / Financial Institutions / Insurance Companies (Central / State Government Institutions / Non Government Institutions)	12	103284	0.26	12	53192	0.13
4	FIs	16	3610055	9.05	15	2070894	5.19
5	NRIs	1058	576829	1.45	1055	635995	1.59
6	OCBs	0	0	0.00	0	0	0.00
7	Foreign National /Financial Banks	0	0	0.00	0	0	0.00
8	Domestic Companies	850	2545569	6.38	916	3669396	9.19
9	GDR	0	0	0.00	0	0	0.00
10	Trust	3	40508	0.10	1	8	0.00
11	Indian Public	62007	13272906	33.27	62503	13794666	34.57
	<b>TOTAL</b>	<b>63954</b>	<b>39893560</b>	<b>100.00</b>	<b>64510</b>	<b>39893560</b>	<b>100</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 98.79% of the Company's Share Capital was dematerialized as on 31<sup>st</sup> March, 2019.

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

## **APTECH LIMITED**

### **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 ₹ 10/- each are outstanding as on 31<sup>st</sup> March, 2019 .

### **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. During the financial year no such complaints were received.

### **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

Website: www.aptech-worldwide.com



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

**Aptech Limited**

1. We, Banshi 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, 2019, 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 Securities and Exchange Board of India (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, 2019.
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

**PARESH H. CLERK**  
Partner

Membership No. 036148  
UDIN : 19036148AAAAAH5230

**Place:** Mumbai  
**Date:** May 21, 2019

## **CERTIFICATION 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 31st March, 2019 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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 31st March, 2019, 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 to 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:
  - (i) significant changes in internal control during the year, if any;
  - (ii) 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
  - (iii) 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.

Sd/-  
**Anil Pant**  
Managing Director  
& Chief Executive Officer

Sd/-  
**T. K. Ravishankar**  
Chief Financial Officer

**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2019

## **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 year ended 31st March, 2019 over financial reporting.

Sd/-  
**Anil Pant**  
Managing Director  
& Chief Executive Officer

**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2019

# 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, 2019, 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, 2019, 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 opinion on the consolidated financial statements.

## 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, 2019 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>Effective April 1, 2019, the Group has adopted a new accounting standard, Ind AS 115 on "Revenue from Contracts with Customers" using the Cumulative effect method, and it is applied retrospectively only to contracts those are not completed as at the date of initial application and the comparative period is not restated. Ind AS 115 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. The application and transition to Ind AS is complex and more particularly, when an entity derives its revenue from providing services. The 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. [Refer Notes 2.q. and 26 to the consolidated financial statements].</p>	<p>We assessed the Group's process to identify the impact of adoption of Ind AS 115, the new revenue accounting standard. Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of Ind AS 115;</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> <li>• Evaluated the cumulative effect of adjustment, if any, as at April 1, 2018 for compliance with Ind AS 115;</li> <li>• Evaluated the appropriateness and assessed the completeness of the disclosures in accordance with the requirements of Ind AS 115.</li> </ul>

<b>Cancellation of ESOP Options due to non-fulfillment of vesting criteria</b>	
<p>The Holding Company granted Stock Options to the employees of the companies in the Group under Aptech Limited – Employee Stock Option Plan 2016 (“the ESOP Scheme”), to vest on fulfilling certain conditions. Accordingly, the Group has been recognising compensation expenses for such options under ‘Employee Benefits Expense’ as ‘Share Based Payment to Employees’.</p> <p>Out of ESOPs, it is considered that certain ESOPs would not vest and stands lapsed/cancelled due to non-fulfillment of vesting conditions, and accordingly, Share Based Payment to Employees recognised in relation to such lapsed/cancelled options were reversed.</p> <p>The estimate that the conditions for vesting of ESOPs would not be fulfilled involves appropriate assumptions and significant judgement and also considering the materiality of amount involved, the accounting treatment of reversal of Share Based Payment to Employees is considered to be a key audit matter.</p> <p>[Refer Note 30 to the consolidated financial statements.]</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the ESOP Scheme and the conditions specified in the Scheme for granting and vesting of ESOPs;</li> <li>• Evaluated whether the accounting treatment was in compliance with Ind AS 102: “Share- based Payment”;</li> <li>• Assessed the appropriateness of the judgment and assumptions considered for the decision for non-vesting of ESOPs considering the conditions under the Scheme;</li> <li>• Verified the accounting treatment of reversal of Share Based Payment to Employees;</li> <li>• Evaluated the adequacy of the related disclosures in the consolidated financial statements.</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 require –</p> <ul style="list-style-type: none"> <li>• the appropriateness of accounting policies for determination of Allowance for ECL;</li> <li>• operational procedures and systems of internal control in estimation of ECL;</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.</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>In view of the determination of the basis and quantum of Allowance of ECL, 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, 12 and 16 to the consolidated financial statements]</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 amount;</li> <li>• Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Board of Directors is responsible for the preparation of 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 also 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 (the Holding Company and its subsidiaries) 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, that is, the Holding Company and its

subsidiaries incorporated in India 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 either been audited by other auditors or prepared by the Company's management in accordance with the Indian GAAP/accounting principles generally accepted in India and audited by other auditors to be included in the consolidated financial statements on the basis of their Fit-for-Consolidation Report, 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.

#### **Emphasis of Matters**

- a. 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 five 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".
- b. Attention is invited to Note 29.2 to the consolidated financial statements about the remuneration of ₹ 9.81 lakhs provided and paid to the Managing Director during the Financial Year 2018-19 in excess of the limit prescribed under Section 197 read with Schedule V to the Companies Act, 2013, which shall be regularised by the Company by taking approval from the shareholders at the ensuing Annual General Meeting, till such time the excess remuneration paid is held by the Managing Director in trust for the Company.

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.

**Other Matters**

We did not audit the Financial Statements and the financial information of 3 (three) subsidiaries located outside India, considered in the consolidated financial statements, whose Financial Statements and financial information reflect total assets of ₹ 1,212.14 lakhs as at March 31, 2019, total revenues of ₹ 1,323.74 lakhs, total net loss (including due to exchange translation) of ₹ 5.00 lakhs and total comprehensive expense (including due to exchange translation) of ₹ 5.00 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 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, which have been audited by us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, is based on the reports of those respective auditors and the conversion adjustments prepared by the management and audited by us.

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 ₹ 12,950.07 lakhs as at March 31, 2019, total revenue of ₹ NIL, total net loss (including due to exchange translation) of ₹ 4.73 lakhs and total comprehensive expense (including due to exchange translation) of ₹ 4.73 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 by the Company's management in accordance with the Indian GAAP and the accounting principles generally accepted in India. These Financial Statements/ financial information 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. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, is based solely on such reports.

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, to the extent applicable, 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 subsidiaries incorporated in India as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company and its subsidiaries incorporated in India, are disqualified as on March 31, 2019 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 subsidiaries incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:

Attention is invited to Note 29.2 to the consolidated financial statements about the remuneration of ₹ 9.81 lakhs provided and paid to the Managing Director during the Financial Year 2018-19 in excess of the limit prescribed under Section 197 read with Schedule V to the Companies Act, 2013, which shall be regularised by the Company by taking approval from the shareholders at the ensuing Annual General Meeting, till such time the excess remuneration paid is held by the Managing Director in trust for the Company.

Read with our remarks in the above paragraph, 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 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, 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 Group has disclosed the impact of pending litigations on its consolidated financial position – Refer Note 40 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;
  - 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, 2019.

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

**PARESH H. CLERK**

Partner

Membership No.036148

Place : Mumbai  
Date : May 21, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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, 2019.

### 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, 2019, 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 subsidiaries incorporated in India together referred to as "the Covered Entities"), as at March 31, 2019.

#### 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 system 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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;
- 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, an internal financial controls system 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, 2019, 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

**PARESH H. CLERK**  
Partner  
Membership No.036148

**Place :** Mumbai  
**Date :** May 21, 2019

**APTECH LIMITED**
**Balance Sheet as at March 31, 2019**

Particulars	Notes	(₹ in lakhs)	
		As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4	1,420.57	1,588.97
Goodwill and Other Intangible Assets	5	1,393.57	1,234.31
Intangible Assets under Development	5	171.24	262.66
<b>Financial Assets</b>			
Investments	6	13,220.17	13,067.81
Loans	7	122.90	157.79
Other Financial Assets	8	102.04	102.04
Deferred Tax Assets (Net)	34	1,850.84	1,841.80
Other Non-current Assets	9	865.50	548.41
<b>Total Non-current Assets</b>		<b>19,146.83</b>	<b>18,803.79</b>
<b>Current Assets</b>			
Inventories	10	168.84	72.96
<b>Financial Assets</b>			
Investments	11	-	750.79
Trade Receivables	12	6,911.49	6,141.03
Cash and Cash Equivalents	13	1,051.47	1,331.05
Other Bank Balances	14	3,096.72	3,019.76
Loans	15	435.70	466.48
Other Financial Assets	16	1,499.88	1,218.48
Other Current Assets	17	732.47	572.72
<b>Total Current Assets</b>		<b>13,896.57</b>	<b>13,573.27</b>
<b>TOTAL ASSETS</b>		<b>33,043.40</b>	<b>32,377.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	3,989.36	3,989.36
Other Equity	19	23,887.01	23,933.43
<b>Total Equity</b>		<b>27,876.37</b>	<b>27,922.79</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Provisions	20	225.70	227.38
<b>Total Non-current Liabilities</b>		<b>225.70</b>	<b>227.38</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables	22	1,855.03	1,637.40
Other Financial Liabilities	23	1,807.38	1,401.67
Provisions	24	40.59	41.31
Other Current Liabilities	25	1,238.33	1,146.51
<b>Total Current Liabilities</b>		<b>4,941.33</b>	<b>4,226.89</b>
<b>Total Liabilities</b>		<b>5,167.03</b>	<b>4,454.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,043.40</b>	<b>32,377.06</b>
Notes (Including Significant Accounting Policies) Forming Part of the Consolidated Financial Statements	1-45		

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

**PARESH H. CLERK**  
Partner  
Membership No. 036148  
Place : Mumbai  
Dated : May 21, 2019

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



## Statement of Profit and Loss for the period ended March 31, 2019

(₹ in lakhs other than EPS)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	26	20,855.15	22,914.23
Other Income	27	416.73	512.89
<b>Total Income</b>		<b>21,271.88</b>	<b>23,427.12</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade	28	415.75	291.63
Changes in Inventories of Stock-in-Trade	28	(95.88)	25.67
Employee Benefits Expense	29	6,322.70	6,703.94
Share Based Payment to Employees	30	(306.04)	1,227.36
Finance Costs	31	9.35	6.04
Depreciation and Amortisation Expense	4 and 5	1,074.70	1,126.36
Other Expenses	32	11,610.92	11,944.00
<b>Total Expenses</b>		<b>19,031.50</b>	<b>21,325.00</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>2,240.38</b>	<b>2,102.12</b>
Exceptional Item (Net)	33	-	1,556.15
<b>Profit Before Tax</b>		<b>2,240.38</b>	<b>3,658.27</b>
<b>Income Tax Expense</b>			
Current Tax	34	545.30	724.08
Deferred Tax	34	(127.03)	(353.04)
<b>Total Tax Expense</b>		<b>418.27</b>	<b>371.04</b>
<b>Profit/ (Loss) for the year</b>		<b>1,822.11</b>	<b>3,287.23</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
i. Gain/ (Loss) on Remeasurement of Defined Benefit Plan		(49.39)	(80.46)
ii. Gain/ (Loss) on Fair Valuation on Equity Instruments		159.06	162.58
iii. Income Tax on above		11.17	24.01
<b>Other Comprehensive Income for the year (Net of Tax)</b>		<b>120.84</b>	<b>106.12</b>
<b>Total Comprehensive Income for the year</b>		<b>1,942.95</b>	<b>3,393.35</b>
<b>Earnings Per Share</b>			
Basic Earnings Per Share (Face Value of ₹ 10 each)	43	4.57	8.24
Diluted Earnings Per Share (Face Value of ₹ 10 each)	43	4.45	7.86
Notes (Including Significant Accounting Policies) Forming Part of the Consolidated Financial Statements	1-45		

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

**PARESH H. CLERK**  
Partner  
Membership No. 036148  
Place : Mumbai  
Dated : May 21, 2019

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

**Statement of Changes in Equity for the Year ended March 31, 2019**

**A. Equity Share Capital**

Particulars	Notes	No. of shares	₹ in lakhs
Balance as at April 1, 2017		39,893,560	3,989.36
Changes in Equity Share Capital	18	-	-
Balance as at March 31, 2018		39,893,560	3,989.36
Changes in Equity Share Capital	18	-	-
Balance as at March 31, 2019		39,893,560	3,989.36

**B. Other Equity**

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Capital Redemption Reserve	Securities Premium Account	Share Options Outstanding Account	General Reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2017	1,774.59	8,977.20	580.53	624.98	8,997.10	(201.24)	20,753.16
Profit/(Loss) for the Year	-	-	-	-	3,287.23	-	3,287.23
Share Based Payments to Employees	-	-	1,227.36	-	-	-	1,227.36
Gain/(Loss) on Fair Valuation of Equity Instruments	-	-	-	-	-	162.58	162.58
Other Comprehensive Income for the year (Net of Income Tax)	-	-	-	-	(56.45)	-	(56.45)
Interim Dividend	-	-	-	-	(1,196.81)	-	(1,196.81)
Corporate Tax on Interim Dividend	-	-	-	-	(243.64)	-	(243.64)
<b>Total Comprehensive Income for the Year</b>	-	-	1,227.36	-	1,790.33	162.58	3,180.27
Balance as at March 31, 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)
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

(₹ in lakhs)

The above Statement of Change in Equity 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

**PARESH H. CLERK**  
Partner  
Membership No. 036148  
Place : Mumbai  
Dated : May 21, 2019

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

## Statement of Cash Flows for the Year ended March 31, 2019

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>2,240.38</b>	<b>3,658.27</b>
<b>Adjustments for:</b>		
Share Based Payment to Employees	(306.04)	1,227.36
Depreciation and Amortisation Expense	1,074.70	1,126.36
Advance written off	-	163.22
Allowances for Expected Credit Loss (Net)	1,300.50	685.58
Bad debts written off	7.84	174.34
Dividend Income	(143.30)	(91.62)
Finance Costs	9.35	6.04
Interest Income	(169.66)	(245.74)
Excess Provisions written back	(73.21)	(174.89)
Unrealised Loss/ (Gain) on Exchange Fluctuation (Net)	12.71	(23.89)
Profit on Sale of Property, Plant and Equipment (Net)	(4.24)	(1,556.15)
	<b>1,708.64</b>	<b>1,290.61</b>
<b>Operating Profit before Working Capital Changes</b>	<b>3,949.02</b>	<b>4,948.88</b>
<b>Changes in Assets and Liabilities</b>		
Decrease/(Increase) in Inventories	(95.88)	25.67
Decrease/(Increase) in Trade Receivables and Unbilled Revenue	(2,946.63)	(3,418.29)
Decrease/(Increase) in Loans	65.66	(16.78)
Decrease/(Increase) in Other Non-current Assets	126.17	7.15
Decrease/(Increase) in Other Financial Assets	568.39	(34.88)
Decrease/(Increase) in Other Current Assets	(159.75)	(128.50)
Increase/(Decrease) in Non-current Liabilities and Provisions	(51.07)	(59.30)
Increase/(Decrease) in Trade Payables	290.84	419.55
Increase/(Decrease) in Other Financial Liabilities	404.99	122.91
Increase/(Decrease) in Other Current liabilities	91.82	194.88
	<b>(1,705.46)</b>	<b>(2,887.59)</b>
<b>Cash generated from / (used in) Operations</b>	<b>2,243.56</b>	<b>2,061.29</b>
Income Tax (Paid)	(859.41)	(823.76)
<b>Net Cash generated from/ (used in) Operating Activities</b>	<b>1,384.15</b>	<b>1,237.53</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(1,013.57)	(1,164.25)
Sale of Property, Plant and Equipment	43.67	2,061.63
Purchase of Non-current Investments	6.70	(2,024.31)
Sale of Current Investments	750.79	1,074.29
Dividend Income	150.15	108.08
Interest Income	169.66	218.41
Proceeds from/(Investing) in Bank Deposits (original maturity more than three months)	(76.96)	(1,479.81)
Loans and Advances - Repayment by/(given to) Related Party	-	1,372.81
<b>Net Cash generated from/ (used in) Investing Activities</b>	<b>30.44</b>	<b>166.85</b>

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid (Including Dividend Distribution Tax)	(1,683.33)	(1,440.45)
Finance Costs	(9.35)	(6.04)
<b>Net Cash generated from/ (used in) Financing Activities</b>	<b>(1,692.68)</b>	<b>(1,446.49)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(278.09)</b>	<b>(42.11)</b>
Cash and Cash Equivalents at the beginning of the year	1,329.56	1,371.67
Cash and Cash Equivalents at the end of the period (Refer Note 13)	1,051.47	1,329.56
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(278.09)</b>	<b>(42.11)</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents disclosed under current assets	1,051.47	1,331.05
Add : Unrealised exchange (gain)/loss on Cash and Cash Equivalents		(1.49)
<b>Total Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>1,051.47</b>	<b>1,329.56</b>

- ii. Since the Company did not have any liability in respect of financing activities, there is no change in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.
- iii. 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.
- 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

**PARESH H. CLERK**

Partner

Membership No. 036148

Place : Mumbai

Dated : May 21, 2019

For and on behalf of the Board of Directors of

**APTECH LIMITED**

**ANIL PANT**

Managing Director & CEO

DIN :0756563

**T. K. RAVISHANKAR**

Executive Vice President & CFO

**VIJAY AGGARWAL**

Director

DIN :00515412

**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, 2019 are approved for issue by the Board of Directors of the Company on May 21, 2019.

## 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 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) upto 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 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	05 years
Computers Hardware	03 years
Office Equipment	05 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 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.

**f. Inventories**

Inventory of educational course material is valued at the lower of cost or net realisable value. Cost of such material is 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. Cost recognition**

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.

**I. 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 OCI**

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 Company 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. Operating Leases**

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

**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. 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 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 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. 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.

**v. 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.

**vi. 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.

**vii. 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 access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

**viii. 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):**

On March 30, 2019, Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has issued the following new and amendments to Ind ASs and are effective from accounting periods beginning on or after April 1, 2019. The Company intends to adopt these standards, if applicable, from April 1, 2019.

**Ind AS 12: Income taxes-****Appendix C, Uncertainty over Income Tax Treatments**

This amendment is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, (1) the entity need to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which better predicts of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have right to examine and have full knowledge of all related information when making those examinations (3) entity has to consider whether it is probable that the taxation authority will accept the tax treatment and accordingly, determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

Consequences of Dividend

The amendment is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this amendment. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

**Ind AS 116: Leases**

Ind AS 116 on “Leases” will replace the existing leases standard, Ind AS 17 on “Leases”. The new standard sets out the principles of recognition, measurement, presentation and disclosure for both parties to a lease contract, i.e. the lessee and the lessor. The core principle of the new standard is that an entity should recognise most leases on its balance sheet. The new standard introduces a single lessee accounting model with limited exemptions and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. Further, the standard also requires the enhanced disclosures. Ind AS 116 substantially carries forward the lessor accounting requirements as in Ind AS 17.

The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 on “Accounting Policies, Changes in Accounting Estimates and Errors”
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognised at the date of initial application.

If a lessee elects to apply modified approach, the lessee shall not restate comparative information. Instead, the lessee shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the ‘Modified Retrospective Approach’ for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings on the date of initial application, that is on April 1, 2019. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company has evaluated the effect of this on its financial statements and the impact is not material.

**4. Property, Plant and Equipment**
**Gross Carrying Amount**

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Fittings	Total
<b>Balance as at April 1, 2017</b>	262.15	942.83	0.56	391.88	440.71	152.87	99.67	103.77	<b>2,394.44</b>
Additions	-	-	-	150.21	40.76	-	18.94	3.73	213.64
Disposals	(260.29)	(75.56)	-	-	-	-	(0.15)	-	(336.00)
<b>Balance as at March 31, 2018</b>	1.86	867.27	0.56	542.09	481.47	152.87	118.46	107.50	<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>	1.86	867.27	0.56	524.13	510.20	220.70	129.91	107.07	<b>2,361.70</b>

**Accumulated Depreciation**

<b>Balance as at April 1, 2017</b>	-	24.78	0.52	126.46	98.85	11.93	27.84	19.61	<b>309.99</b>
Depreciation Charge for the Year	-	24.41	0.04	164.57	133.44	21.60	27.81	18.00	389.87
Disposals	-	(16.67)	-	-	-	-	(0.08)	-	(16.75)
<b>Balance as at March 31, 2018</b>	-	32.52	0.56	291.03	232.29	33.53	55.57	37.61	<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>	-	56.12	0.56	362.46	337.40	55.69	78.96	49.94	<b>941.13</b>
Net Carrying Amount as at April 1, 2017	262.15	918.05	0.04	265.42	341.86	140.94	71.83	84.16	2,084.45
Net Carrying Amount as at March 31, 2018	1.86	834.75	-	251.06	249.18	119.34	62.89	69.89	1,588.97
<b>Net Carrying Amount as at March 31, 2019</b>	1.86	811.15	-	161.67	172.80	165.01	50.95	57.13	<b>1,420.57</b>

**5. Goodwill and Other Intangible Assets**
**Gross Carrying Amount**

(₹ in lakhs)

Particulars	Goodwill	Computer Software	Contents	Total
<b>Balance as at April 1, 2017</b>	3.04	563.13	1,373.92	<b>1,940.09</b>
Additions	-	223.49	530.96	754.45
<b>Balance as at March 31, 2018</b>	3.04	786.62	1,904.88	<b>2,694.54</b>
Additions	-	483.53	407.26	890.79
<b>Balance as at March 31, 2019</b>	3.04	1,270.15	2,312.14	<b>3,585.33</b>

**Accumulated Amortisation**

<b>Balance as at April 1, 2017</b>	3.04	147.15	573.54	<b>723.73</b>
Amortisation charge for the period	-	221.57	514.93	736.50
<b>Balance as at March 31, 2018</b>	3.04	368.72	1,088.47	<b>1,460.23</b>
Amortisation charge for the period	-	256.26	475.27	731.53
<b>Balance as at March 31, 2019</b>	3.04	624.98	1,563.74	<b>2,191.76</b>
Net Carrying Amount as at April 1, 2017	-	415.98	800.38	1,216.36
Net Carrying Amount as at March 31, 2018	-	417.90	816.41	1,234.31
<b>Net Carrying Amount as at March 31, 2019</b>	-	645.17	748.40	<b>1,393.57</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

### 6. Investments : Non-current

Particulars	Face Value of share	As at March 31, 2019		As at March 31, 2018
		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	3,420,800	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	200,000	2,018.01	2,024.86
<b>Sub-total (B)</b>			<b>2,018.01</b>	<b>2,024.86</b>
<b>C. Investments at Fair Value Through Profit and Loss (FVTPL)</b>				
<b>Investment in Units of Mutual Funds</b>				
<b>Unquoted</b>				
LIC Nomura MF Income Plus Fund (Refer Note 6.2)	₹ 10.10	22,621	2.65	2.50
<b>Sub-total (C)</b>			<b>2.65</b>	<b>2.50</b>
<b>C. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</b>				
<b>Unquoted</b>				
Syntea Polland JV	.20 PLN	350,000	385.63	226.57
Handy Training Technologies	₹ 10.00	2,500	-	-
Beijing Jadebird IT Education Company (BJBC) (Refer Note 6.3)	.000125 USD	55,684,931	10,813.21	10,813.21
<b>Sub-total (D)</b>			<b>11,198.84</b>	<b>11,039.78</b>
<b>Total Non-current Investments</b>			<b>13,220.17</b>	<b>13,067.81</b>
Aggregate amount of quoted investments and market value thereof			-	-
Aggregate amount of unquoted investments			13,220.17	13,067.81
Aggregate amount of impairment in the value of investments			-	-

**6.1** Tata Capital Preference Shares are Fully Paid-up Non-Convertible Cumulative Redeemable Non-Participating Preference Shares ("CRPS"). 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.

**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 Group has no influence in BJBC Decision making process.

In the absence of availability of its audited financial statements to its investors, for last about five years, (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".



## 7. Loans : Non-current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, Considered Good</b>		
Security Deposits	96.24	126.35
Loans and Advances to Employees	26.66	31.44
Loans Receivables which have significant increase in Credit Risk	-	-
Loand Receivables - Credit impaired	-	-
<b>Total</b>	<b>122.90</b>	<b>157.79</b>

## 8. Other Financial Assets : Non-current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Deposits (With Original Maturity more than twelve months)	102.04	102.04
<b>Total</b>	<b>102.04</b>	<b>102.04</b>

## 9. Other Non-current Assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advance	0.35	7.00
Current Tax Assets (Net) (Refer Note 9.1)	853.86	528.57
Prepaid Expenses	11.29	12.84
<b>Total</b>	<b>865.50</b>	<b>548.41</b>

## 9.1. Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	528.57	404.88
Additions during the year	859.41	823.76
Less : Current Tax Expenses	534.12	700.07
<b>Total</b>	<b>853.86</b>	<b>528.57</b>

## 10. Inventories

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Education and Training Materials ( Stock-in-Trade)	168.84	72.96
<b>Total</b>	<b>168.84</b>	<b>72.96</b>

10.1 The Cost of Inventories recognised as an expenses includes ₹ 24.00 lakhs (Previous Year : ₹ 24.05 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. Investments : Current

Particulars	Face Value of Bond	As at March 31, 2019	As at March 31, 2018
	Amount in ₹	No of Units	₹ in lakhs
<b>Investments Mandatory measured at Fair Value Through Profit and Loss</b>			
<b>Investment in Tax Free Bonds</b>			
<b>Quoted</b>			
IRFC Tax Free Bond Series 89 Option II-2028-8.46%	10,00,000	12	-
NHB Tax Free Bond Series V-2018@8.46%	10,00,000	50	-
<b>Total Current Investments</b>			<b>750.79</b>
Aggregate amount of quoted investments and market value thereof			750.79
Aggregate amount of unquoted investments			-
Aggregate amount of impairment in the value of investments			-

## APTECH LIMITED

### 12. Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured</b>		
<b>Considered Good</b>		
Trade Receivables	6,911.49	6,141.03
<b>Credit impaired</b>	678.14	1,113.38
Less : Provision for Expected Credit Loss (Refer Note 12.3)	678.14	1,113.38
<b>Total</b>	<b>6,911.49</b>	<b>6,141.03</b>

12.1 Balances of Trade Receivables are subject to confirmation and reconciliation and generally non-interest bearing.

12.2 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.

12.3 In determining the allowances for doubtful 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	More than 365 days
Default Rate *	1%	2.50%	5%	20%

\*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, 2019	As at March 31, 2018
<b>Balance at the beginning of the Year</b>	1,113.38	872.79
Add : Allowance for Expected Credit Loss during the year (Net)	730.02	549.57
Less : Bad Debts Written off during the year	1,165.26	308.98
<b>Provision at the end of the Year</b>	<b>678.14</b>	<b>1,113.38</b>

### 13. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	1.08	9.42
Balance with Banks in		
Current Account	633.75	866.57
EEFC Accounts	416.64	455.06
<b>Total</b>	<b>1,051.47</b>	<b>1,331.05</b>

### 14. Other Bank Balances

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked Balances - Unpaid Dividend	178.16	176.38
Bank Deposits (With Original Maturity more than three Months but less than twelve months)	2,918.56	2,843.38
<b>Total</b>	<b>3,096.72</b>	<b>3,019.76</b>

14.1 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.

**14.2** Bank Deposits include restricted balances of ₹ 1143.64 lakhs (Previous Year : ₹ 2045.42 lakhs).The restriction are primarily on account of cash and bank balances held as margin money deposits against guarantees and overdraft facility.

**14.3** At March 31, 2019, the Group had available ₹420.34 lakhs (Previous Year : ₹ 927.63 lakhs) of undrawn committed borrowing facilities.

**14.4** There is no repatriation restriction with regard to Cash and Cash Equivalents as at the end of the current year and previous year.

**15. Loans : Current**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, Considered Good</b>		
Loans and Advances to Employees	69.79	84.75
Security Deposits		
Earnest Money Deposit	109.26	122.79
Other Deposits	256.65	258.94
<b>Total</b>	<b>435.70</b>	<b>466.48</b>

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

(₹ in lakhs)

Particulars	Purpose for which the loan is to be utilised by the recipient	As at March 31, 2019	As at March 31, 2018
<b>Key Managerial Personnel</b>	Personal loan	25.84	31.11
<b>Mr. Anuj Kackar</b>			

**16. Other Financial Assets : Current**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue (Refer Note 16.1)	2,143.74	1,287.12
Less : Allowance for Expected Credit Loss		
Opening Balance	136.00	-
Allowance for Expected Credit Loss during the year	570.48	136.00
	1,437.26	1,151.12
Interest Receivable	62.62	67.36
<b>Total</b>	<b>1,499.88</b>	<b>1,218.48</b>

**16.1** Unbilled Revenue is revenue that is yet to be invoiced for services already delivered. The budgeted effort 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.

**17. Other Current Assets**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance to Suppliers	83.66	128.57
Prepaid Gratuity	53.94	17.58
Prepaid Expenses	168.58	169.57
Balance with Government Authorities (Refer Note 17.1)	426.29	257.00
<b>Total</b>	<b>732.47</b>	<b>572.72</b>

**17.1** Includes Input Tax Credit of GST, Service Tax claimed in Trans 1 and VAT.

## APTECH LIMITED

### 18. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<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>		
3,98,93,560 (Previous Year : 3,98,93,560) equity shares of ₹ 10 each	3,989.36	3,989.36
<b>Total</b>	<b>3,989.36</b>	<b>3,989.36</b>

**18.1** Out of the shares outstanding, 11,271 Equity Shares (Previous Year : 11,271) of ₹10 each fully paid up are represented by 22,542 (Previous Year : 22,542) Global Depository Receipts (GDRs) of USD 7.175 each.

### 18.2 Dividend Paid

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend Paid (₹ in lakhs)	1,683.33	1,440.45
Dividend Per Share (₹)	3.50	3.00

### Terms and Rights attached to Equity Shares

- Equity Shares have a par value of ₹ 10. They 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.

### 18.3 Details of shareholders holding more than 5% of shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Rare Equity Private Limited	8,443,472	21.17	8,443,472	21.17
Rakesh Jhunjhunwala	5,094,100	12.77	5,019,100	12.58
Rekha Jhunjhunwala	4,574,740	11.47	4,574,740	11.47

### 18.4 Details of Share reserved for issue under Option Outstanding at the end of the Year

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	in Lakhs	Number of shares	in Lakhs
Equity Shares reserved for ESOP*	1,053,454	105.35	1,950,213	195.02

\* For terms of ESOP - Refer Note 30

### 19. Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve	1,774.59	1,774.59
Securities Premium Account	8,977.20	8,977.20
Share Options Outstanding Account		
Opening Balance	1,807.89	580.53
Current Year Provision	(306.04)	1,227.36
Closing Balance	1,501.85	1,807.89

**19. Other Equity**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserves	624.98	624.98
Retained Earnings	10,887.99	10,787.43
Equity Instruments through Other Comprehensive Income		
Opening Balance	(38.66)	(201.24)
Current Year Provision	159.06	162.58
Closing Balance	120.40	(38.66)
<b>Total</b>	<b>23,887.01</b>	<b>23,933.43</b>

**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 ESOP 2016 scheme. In accordance with the Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014 ('SEBI Regulations'), approval of shareholders of the Company was obtained at the Annual General Meeting held on September 27, 2016 to create, offer and grant upto 44,32,620 options under the Aptech ESOP 2016 scheme to the employees of the Company and its subsidiaries. These options will vest in 3rd, 4th and 5th year based on the tenure of eligible employees and performance criteria.

**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 May 21, 2019 have recommended an Interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) which would result in a cash outflow of ₹ 1683.33 lakhs, inclusive of Dividend Distribution tax for the year ended March 31, 2019. The Board of Directors at its meeting held on May 30, 2018 had recommended interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) and paid which resulted in a cash outflow of ₹ 1683.33 lakhs, inclusive of Dividend Distribution Tax for the year ended March 31, 2018.

**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.

**20. Provisions : Non-current**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefit Obligations		
Gratuity	-	12.84
Compensated Leave Absences	225.70	214.54
<b>Total</b>	<b>225.70</b>	<b>227.38</b>

## APTECH LIMITED

### 21. Employee Benefit Obligations

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non Current	Current	Non Current
	Gratuity (Funded)	-	-	-
Compensated Leave Absences (Unfunded)	40.59	225.70	41.31	214.54
<b>Total</b>	<b>40.59</b>	<b>225.70</b>	<b>41.31</b>	<b>227.38</b>

#### i. Leave Obligations

The leave obligations cover the Group's liability for sick and earned leave. The amount of the provision of ₹ 40.59 lakhs (Previous Year : ₹ 41.31 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, company 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 at the Group.

In case of Foreign subsidiaries, company doesn't have any liability at the end of the year.

#### iii. Defined Contributions 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 ₹ 290.96 lakhs (Previous Year : ₹ 311.00 lakhs).

#### 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:

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	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>679.63</b>	<b>(684.41)</b>	<b>(4.78)</b>	<b>672.72</b>	<b>(616.18)</b>	<b>56.54</b>
Interest Expense/(Income)	53.46	(53.83)	(0.37)	48.71	(44.73)	3.98
Current Service Cost	74.59	-	74.59	67.02	-	67.02
<b>Total Amount recognized in Profit and Loss</b>	<b>128.05</b>	<b>(53.83)</b>	<b>74.22</b>	<b>115.73</b>	<b>(44.73)</b>	<b>71.00</b>
Return on Plan Assets, excluding amounts included in interest Remeasurements	-	0.78	0.78	-	11.59	11.59
(Gain)/Loss from change in financial assumptions	8.72	-	8.72	(34.18)	-	(34.18)
Experience (gains)/losses	39.89	-	39.89	103.05	-	103.05
<b>Total amount recognised in Other Comprehensive Income</b>	<b>48.61</b>	<b>0.78</b>	<b>49.39</b>	<b>68.87</b>	<b>11.59</b>	<b>80.46</b>
Employer Contributions	-	(172.80)	(172.80)	-	(211.00)	(211.00)
Benefit Payments	(139.55)	139.58	0.03	(177.69)	175.93	(1.76)
<b>As at March 31</b>	<b>716.74</b>	<b>(770.68)</b>	<b>(53.94)</b>	<b>679.63</b>	<b>(684.41)</b>	<b>(4.76)</b>

## iv. Category of Assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Insurance fund	770.68	684.41
<b>Total</b>	<b>770.68</b>	<b>684.41</b>

## v. Post-Employment Benefits (Gratuity)

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.69%	7.88%
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	5.75%	5.75%

## Sensitivity Analysis

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefits Obligation on Current Assumptions	715.11	679.65
Delta Effect of +1% Change in Rate of Discounting	(51.76)	(51.02)
Delta Effect of -1% Change in Rate of Discounting	59.01	58.39
Delta Effect of +1% Change in Rate of Salary Increase	59.58	59.05
Delta Effect of -1% Change in Rate of Salary Increase	(53.13)	(52.43)
Delta Effect of +1% Change in Rate of Employee Turnover	6.48	7.39
Delta Effect of -1% Change in Rate of Employee Turnover	(7.36)	(8.37)

## 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

## vi. Maturity Analysis of Projected Benefits Obligation: From the Fund

Maturity Analysis of Projected Benefits Obligation is done considering future salary, attrition and 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, 2019</b>					
Defined Benefits obligation (Gratuity)	71.10	25.88	146.99	1,255.29	1,499.26
<b>As at March 31, 2018</b>					
Defined Benefits obligation(Gratuity)	76.60	25.78	152.00	1,571.08	1,825.47

## APTECH LIMITED

### 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 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 ₹ 79.36 lakhs (Previous Year : ₹ 106.21 lakhs).

#### 22. Trade Payables

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Total Outstanding Dues of Micro, Small and Medium-sized Enterprises (MSMEs)	-	-
Total Outstanding Dues Of Creditors Other than MSMEs (Refer Note 22.1)	1,855.03	1,637.40
<b>Total</b>	<b>1,855.03</b>	<b>1,637.40</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. Other Financial Liabilities : Current

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Capital Creditors	270.29	88.79
Liability for Expenses	1,383.52	1,131.09
Security Deposits	153.57	181.79
<b>Total</b>	<b>1,807.38</b>	<b>1,401.67</b>

#### 24. Provisions : Current

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Provision for Employee Benefit Obligations (Refer Note 21)		
Compensated Leave Absences	40.59	41.31
<b>Total</b>	<b>40.59</b>	<b>41.31</b>



**25. Other Current Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Received from Customers (Refer Note 25.2)	178.84	163.21
Unearned Revenue (Refer Note 25.1)	662.65	381.65
Statutory Dues Payable	205.92	404.78
Unclaimed Dividends	178.16	176.38
Other Liabilities	12.76	20.49
<b>Total</b>	<b>1,238.33</b>	<b>1,146.51</b>

**25.1** Unearned Revenue is invoice raised in advance for services yet to be delivered. In other words, the underlying effort are yet to be given.

**25.2** 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. Considering the nature of business of the company, the above contract liabilities generally materializes as revenue within the same operating cycle.

**26. Revenue from Operations**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
From Revenue from Sales and Services	20,855.15	22,914.23
<b>Total</b>	<b>20,855.15</b>	<b>22,914.23</b>

**26.1** Effective April 1, 2018, the Group has adopted Ind AS 115 on "Revenue from Contracts with Customers" using the Cumulative effect method, and it is applied retrospectively only to contracts those are not completed as at the date of initial application and the comparative information is not restated. Since the Group did not have any contract that was not completed as on April 1, 2018, there is no impact on its Opening Balance of Retained Earnings as per transition provisions under Ind AS 115. Further, as the Company did not have any contract that was not completed as on March 31, 2019, there is no impact due to adoption of Ind AS 115 on the Revenue Recognised for the quarter and year ended March 31, 2019. Due to the adoption of Ind AS 115, the impact, if any, mainly were to be on Institutional Segment.

**26.2 Disaggregate Revenue**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue based on Services		
a. Training and Education	14,735.13	15,699.38
b. Assessment Solution	6,120.02	7,214.85
	<b>20,855.15</b>	<b>22,914.23</b>
Revenue based on type of customers		
a. Government	4,647.11	5,157.98
b. Non-Government	16,208.04	17,756.25
	<b>20,855.15</b>	<b>22,914.23</b>
Revenue based on Geography		
a. India	18,051.31	19,596.37
b. Outside India	2,803.84	3,317.86
	<b>20,855.15</b>	<b>22,914.23</b>

**26.3** 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.

**27. Other Income**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest Income</b>		
On Deposit with Banks	164.48	141.83
On Employee Loans	4.07	4.84
On Others	15.95	29.10
On Financial Assets measured at FVTPL	-	42.70
Dividend on Financial Assets measured at Amortised Cost	150.15	95.92
Net Gain on Investments measured at FVTPL	(6.85)	17.59
Net Gain on Sale of Bonds measured at FVTPL	-	2.87
Net Gain on Sale of Units of Mutual Funds measured at FVTPL	10.37	-
Excess Provision Written Back	73.21	174.89
Net Gain on Sale of Property, Plant and Equipment	4.24	-
Miscellaneous Income	1.11	3.15
<b>Total</b>	<b>416.73</b>	<b>512.89</b>

**28. Change in Inventory of Stock-in-Trade**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock</b>		
Traded Goods	72.96	98.63
<b>Less: Closing Stock</b>		
Traded Goods	168.84	72.96
<b>Total</b>	<b>(95.88)</b>	<b>25.67</b>

**29. Employee Benefits Expense**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Incentives and Allowances	5,774.25	6,079.32
Staff Welfare Expenses	109.96	144.28
Contribution to Provident and Other Funds	290.96	311.00
Compensated Leave Absences	79.36	106.21
Gratuity Expenses	68.17	63.13
<b>Total</b>	<b>6,322.70</b>	<b>6,703.94</b>

**29.1** Gratuity Expenses are after capitalising the sum of ₹ 6.05 lakhs (Previous Year : ₹ 7.87 lakhs) to Contents.

**29.2** The above includes Managerial Remuneration to Managing Director ('MD') and Wholetime Director ('WTD') as disclosed hereunder;

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Incentives and Allowances	375.92	401.24
Contribution to Provident and Other Funds	19.72	19.00
<b>Total</b>	<b>395.64</b>	<b>420.24</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 to the Companies Act, 2013.

During the Financial Year 2018-19, the remuneration provided/paid to the Managing Director of the Company, to the extent of ₹ 9.81 lakhs, is in excess of the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 for which the Company will seek approval of the Shareholders to regularise the same at the ensuing Annual General Meeting, till such time the excess remuneration paid is held by Managing Director in trust for the Company.

During the Financial Year 2014-15, the Company had paid Managerial Remuneration of the Company 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 ₹ 25.21 lakhs has already been recovered.

### 30. Share-Based Payments

Employee Option Scheme :

The Members of the Company at its Annual General Meeting held on September 27, 2016 approved the Aptech Employee Stock Option Scheme 2016 ("the Scheme") The Employee Stock Option Scheme 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
I	27-09-2016	1,771,690
II	19-10-2016	51,965
III	24-01-2017	96,000
IV	24-05-2017	24,500
V	31-07-2017	21,000
VI	09-11-2017	101,512
VII	07-02-2018	68,000
VIII	26-07-2018	27,000
<b>Total No of Share Granted</b>		<b>2,161,667</b>
<b>Grant Price (per share)</b>		67.00
<b>Graded Vesting Plan</b>	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	
<b>Maximum Exercise Period</b>	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, 2019		As at March 31, 2018	
	Average exercise price per share option	Number of units	Average exercise price per share option	Number of units
Opening Balance	67.00	4,419,620	67.00	4,358,530
Granted during the year	67.00	27,000	67.00	244,730
Lapsed during the year	67.00	2,284,953	67.00	183,640
<b>Closing Balance</b>	<b>67.00</b>	<b>2,161,667</b>	<b>67.00</b>	<b>4,419,620</b>

#### iii. Share options outstanding at the end of the year have the following expiry date :

Date of Grant	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

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### 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

### vi. Expense arising from Share-Based Payment Transactions

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
ESOP Compensation Cost (Net)*	(306.04)	1,227.36
<b>Total</b>	<b>(306.04)</b>	<b>1,227.36</b>

\* The Company granted 44,32,260 Stock options to its employees under Aptech ESOP 2016 Scheme 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 'Employee Benefits Expense' as 'Share Based payment to Employees'. The Company has estimated that 22,84,953 ESOPs will not vest as it stands lapsed/cancelled and accordingly, Compensation expenses for the year ended results include gross reversal of ₹ 1,037.17 lakhs due to cancelled options.

### 31. Finance Costs

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses :		
On Working Capital Demand Loans Facility	8.83	5.97
On Commitment and Finance Charges	0.52	0.07
<b>Total</b>	<b>9.35</b>	<b>6.04</b>

## 32. Other Expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Education, Training Expenses and Course Materials	182.52	283.01
Course Execution Charges	5,453.83	6,143.35
Advertisement Expenses	1,339.79	1,365.19
Electricity Charges	149.91	154.58
Rental Charges (Refer Note 42.2)	752.34	760.74
Repairs and Maintenance		
Plant and Machinery	22.17	26.32
Buildings	9.93	4.90
Others	77.98	113.45
Travelling and Conveyance	765.62	754.84
Communication Expenses	247.83	235.29
Rates and Taxes	21.49	32.30
Insurance	18.18	17.33
Safety And Security	289.38	269.85
Legal and Professional Fees	423.93	385.99
Loss on Exchange Fluctuation (Net)	8.41	33.50
Printing and Stationery	35.31	73.28
Bank Charges	29.44	42.33
Director's Commission	11.50	16.00
Director's Sitting Fees	13.80	17.80
Payment to Auditors		
Statutory Audit	31.95	28.52
Tax Audit	7.45	7.50
Limited Review	9.90	10.65
Certification		
Tax Advisory	-	0.62
Company Law Matters	-	0.20
Other Services	1.33	1.60
Out of Pocket Expense	1.16	2.73
GST/Service Tax Expenses	203.22	160.89
Corporate Social Responsibility Expenditure (Refer Note 32.1)	19.89	33.78
Stock Write off	24.00	24.05
Bad Debts Written off	7.84	174.34
Allowance for Expected Credit Loss (Net)		
Bad Debts Written off	1,165.26	308.98
Allowance for Expected Credit Loss	1,248.62	685.58
Less : Allowance for Expected Credit Loss no longer required	(1,113.38)	(308.98)
	1,300.50	685.58
Miscellaneous Expenses	150.32	83.54
<b>Total</b>	<b>11,610.92</b>	<b>11,944.00</b>

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### 32.1 Corporate Social Responsibility Expenditure (CSR)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
A. Gross amount required to be spent by the Company	29.45	35.82
B. Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year		
For Any Other purpose	19.89	33.78

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.

### 33. Exceptional Item (Net)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit on Sale of Property, Plant and Equipment	-	1,556.15
<b>Total</b>	-	<b>1,556.15</b>

33.1 For the year ended March 31, 2018, Exceptional item pertains to Profit on sale of Immovable properties of ₹ 1,742.38 lakhs and expenses/ loss of ₹ 186.23 lakhs in connection therewith, resulting in net gain of ₹ 1,556.15 lakhs.

### 34. Taxation

#### a. Income Tax Expense

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income Tax Expense Charged/(Credited) to :</b>		
<b>Profit and Loss Account</b>		
Current Tax Expenses	545.30	724.08
Deferred Tax Expenses	(127.03)	(353.04)
<b>Sub-total</b>	<b>418.27</b>	<b>371.04</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	(11.17)	(24.01)
<b>Sub-total</b>	<b>(11.17)</b>	<b>(24.01)</b>
<b>Total</b>	<b>407.10</b>	<b>347.03</b>

#### b. Reconciliation of Tax Expense and Accounting Profit multiplied by tax rate applicable in India :

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit from Operations before Income Tax Expense	2,240.38	3,658.27
Corporate Tax Rate as per Income Tax Act, 1961	27.82%	34.61%
<b>Tax on Accounting Profit</b>	<b>623.27</b>	<b>1,266.13</b>
<b>Tax on Income Exempt From Tax :</b>		
Preference Dividend Income	(39.82)	(47.92)
<b>Tax on Expenses not Tax Deductible :</b>		
CSR Expenses	5.53	11.69
Expenses in Relation To Exempt Income	1.34	1.68
Other Items	0.09	1.22
Income subject to different tax rates		
Excess of Accounting Profit over Taxable Profits for Capital Gains	-	(93.51)
Effect of different tax rate on Deferred Tax	21.00	39.32
Effect of previously unrecognised Unabsorbed Depreciation and Losses used to reduce Tax Expense	(135.47)	(1,064.61)
Entitlement of Unrecognised MAT Credit arising in the Current year	-	531.39

Effect of previously unrecognised Deferred Tax Asset now recognised	(53.48)	(234.90)
Temporary differences and reversals thereof on which no deferred tax is recognised	(22.78)	(6.09)
Excess tax provision	(0.53)	10.36
Effect of lower tax in AGLSM SDN BHD, Malaysia	21.82	(25.51)
Effect of Differential Tax rate in Attest Testing Services Limited	-	(2.07)
Effect of Profit/ (Loss) not taxable in foreign country	(2.70)	(16.15)
<b>Income tax expense</b>	<b>418.27</b>	<b>371.04</b>
<b>Effective tax rate</b>	<b>18.67%</b>	<b>10.14%</b>

**c. Deferred Tax Asset (Net)**

The balance comprises temporary differences attributable to :

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Asset:</b>		
Gratuity	-	6.15
Leave Encashment	77.37	85.33
Property, Plant and Equipment and Other Intangible Assets	135.25	61.53
MAT credit entitlement (Net)	1,290.33	1,354.83
	<b>1,502.95</b>	<b>1,507.84</b>
Other Items		
Allowance for Expected Credit Loss on Trade Receivables	347.89	333.96
	<b>347.89</b>	<b>333.96</b>
<b>Total Deferred Tax Assets</b>	<b>1,850.84</b>	<b>1,841.80</b>

**Deferred Tax Liability:**

Property, Plant and Equipment and Other 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>1,850.84</b>	<b>1,841.80</b>

**Movement in Deferred Tax Assets**

(₹ in lakhs)

Particulars	Property Plant and Equipment and Other Intangible assets	Defined Benefits Obligations	MAT Credit Entitlement	Other Items	Total Deferred Tax Assets
<b>As at April 1, 2017</b>	-	-	1,354.83	133.93	1,488.76
(Charged)/credited :					
To Profit and loss	61.53	91.48	-	200.03	353.04
To other comprehensive income	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>61.53</b>	<b>91.48</b>	<b>1,354.83</b>	<b>333.96</b>	<b>1,841.80</b>
(Charged)/credited :					
To Profit and loss	73.72	(14.11)	(64.50)	13.93	9.04
To other comprehensive income	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>135.25</b>	<b>77.37</b>	<b>1,290.33</b>	<b>347.89</b>	<b>1,850.84</b>

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### Movement in Deferred Tax Liabilities

(₹ in lakhs)

Particulars	Property, Plant and Equipment and Other Intangible Assets	Financial assets at Fair Value through Profit and Loss	Total Deferred Tax Liabilities
<b>As at April 1, 2017</b>	-	-	-
(Charged)/credited :			
To Profit and loss	-	-	-
To other comprehensive income	-	-	-
<b>As at March 31, 2018</b>	-	-	-
(Charged)/credited :			
To Profit and loss	-	-	-
To other comprehensive income	-	-	-
<b>As at March 31, 2019</b>	-	-	-

The Company and its Indian subsidiaries had paid Minimum Alternate Tax (MAT) under the Indian Income-tax Act, 1961 in earlier years. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised. Accordingly, the Group has recognised a deferred tax asset of ₹ 1,290.33 lakhs as on March 31, 2019 and has not recognised deferred tax assets in respect of tax credit entitlement amounting to ₹ 3,059.79 lakhs as at March 31, 2019.

The group also has not recognised Deferred Tax Assets on Long Term Capital Gains amounting to ₹ 1,146.39 lakhs (Previous Year: ₹ 1,146.34 lakhs), as there is no indication of its reversal in foreseeable future.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unused MAT Credit Entitlement which expires in		
FY 2024-25	1,290.33	1,354.83
<b>Total</b>	<b>1,290.33</b>	<b>1,354.83</b>

During the year, Deferred Tax has not been recognised on following:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unused Tax Losses (Long Term Capital Loss) which expires in		
FY 2019-20	1,003.86	1,003.86
FY 2020-21	72.75	72.75
FY 2021-22	69.78	69.78
<b>Total</b>	<b>1,146.39</b>	<b>1,146.39</b>

### 35. Fair value measurement

#### Financial Instruments by category

#### Financial Instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	11,198.84	0.67	-	11,039.78	0.67
Mutual Funds	2.65	-	-	2.50	-	-
Preference Shares	-	-	2,018.01	-	-	2,024.86
Debentures and Bonds	-	-	-	750.79	-	-
Trade and Other Receivables	-	-	6,911.49	-	-	6,141.03



Loans	-	-	558.60	-	-	624.26
Other Non-current Financial Assets	-	-	102.04	-	-	102.04
Cash and Cash Equivalents	-	-	1,051.47	-	-	1,331.05
Other Bank Balance	-	-	3,096.72	-	-	3,019.76
Other Current Financial Assets	-	-	1,499.88	-	-	1,218.48
<b>Total Financial Assets</b>	<b>2.65</b>	<b>11,198.84</b>	<b>15,238.88</b>	<b>753.29</b>	<b>11,039.78</b>	<b>14,462.15</b>
<b>Financial Liabilities</b>						
Trade Payables	-	-	1,855.03	-	-	1,637.40
Other Financial Liabilities	-	-	1,807.38	-	-	1,401.67
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,662.41</b>	<b>-</b>	<b>-</b>	<b>3,039.07</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.

#### Financial Assets and Financial Liabilities measured at Fair Value Through

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>							
Investment 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>
<b>Financial liabilities</b>							
Derivative financial liabilities	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
							(₹ in lakhs)
As at March 31, 2018	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investment in Units of in Mutual Funds	2.50	-	-	-	-	-	<b>2.50</b>
Debentures and Bond	750.79	-	-	-	-	-	<b>750.79</b>
Equity Instruments	-	-	-	-	-	11,039.78	<b>11,039.78</b>
<b>Total</b>	<b>753.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,039.78</b>	<b>11,793.07</b>
<b>Financial liabilities</b>							
Derivative financial liabilities	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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.

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**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.

### Details of assets considered under Level 3 classification

Particulars	(₹ in lakhs)	
	Investments in equity instruments	
	Syntea Polland	Beijing Jadebird IT Education Company
<b>Opening balance as on April 1, 2017</b>	<b>63.99</b>	<b>10,813.21</b>
Gain/(loss) recognised in Other comprehensive income	162.58	-
<b>Closing balance as on March 31, 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>

Item	Valuation technique	Significant unobservable inputs	As at March 31, 2019		As at March 31, 2018	
			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	0.11x	29.54	0.10x	19.02
Beijing Jadebird IT Education Company ("BJBC")	Refer Note 35.2		-	-	-	-

**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.

**35.2** 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).

### 36. 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 :

<b>Risk</b>	<b>Risk Exposure arising from</b>	<b>Measurement</b>	<b>Management of risk</b>
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 Mutual Funds/ Bonds	Credit Ratings	Portfolio Diversification and Regular Monitoring

#### **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 assesses 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.

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### 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.

As of March 31, 2019, 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, 2019			As at March 31, 2018		
	EUR	USD	MYR	EUR	USD	MYR
<b>Financial assets</b>						
Trade receivables	0.01	19.32	1.74	0.55	17.85	10.90
<b>Net exposure to foreign currency risk (assets)</b>	<b>0.01</b>	<b>19.32</b>	<b>1.74</b>	<b>0.55</b>	<b>17.85</b>	<b>10.90</b>
<b>Financial liabilities</b>						
Trade payables	0.30	0.25	0.11	0.09	0.50	0.73
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.30</b>	<b>0.25</b>	<b>0.11</b>	<b>0.09</b>	<b>0.50</b>	<b>0.73</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, 2019	Year ended March 31, 2018
USD Sensitivity		
Increase by 5%	5-6 %	2.5-2.75 %
Decrease by 5%	5-6 %	2.5-2.75 %

### 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 Group's deposits and Investments are all at fixed rate and are 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 of a change in market interest rates.

##### 2. Price risk Exposure

The Group's exposure to securities price risk arises from investments held in units of 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.

### 37. 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.

**38. Disclosure pursuant to Ind AS on 'Operating Segment'**

The Group Managing director (MD) have been identified as the Chief Operating Decision Maker. He examine the performance of the Group on an entity level. The Group has only two operating segments 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, 2019.

**Segment Information**

(₹ in lakhs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Operating Segments				Operating Segments			
	Retail	Institutional	Unallocable	Total	Retail	Institutional	Unallocable	Total
Revenue								
Income from Segment	14,093.06	6,762.09	-	20,855.15	14,551.96	8,362.27	-	22,914.23
Results before Interest, Tax and Exceptional Items	5,303.12	(1,026.62)	(2,211.27)	2,065.23	4,673.51	1,045.75	(3,925.50)	1,793.76
Add: Interest income	22.96	15.95	145.59	184.50	-	-	314.40	314.40
Less: Interest Expenses and Finance Costs	0.23	-	9.12	9.35	0.06	0.01	5.97	6.04
<b>Profit/(Loss) before Tax and Exceptional Items</b>	<b>5,325.85</b>	<b>(1,010.67)</b>	<b>(2,074.80)</b>	<b>2,240.38</b>	<b>4,673.45</b>	<b>1,045.74</b>	<b>(3,617.06)</b>	<b>2,102.12</b>
<b>Exceptional Items</b>								
Profit on Sale of Property, Plant and Equipment	-	-	-	-	-	-	1,556.15	1,556.15
<b>Profit / (Loss) before Tax</b>	<b>5,325.85</b>	<b>(1,010.67)</b>	<b>(2,074.80)</b>	<b>2,240.38</b>	<b>4,673.45</b>	<b>1,045.74</b>	<b>(2,060.92)</b>	<b>3,658.27</b>
Add/(Less) : Current Tax	-	-	545.30	545.30	-	-	724.08	724.08
: Deferred Tax	-	-	(127.03)	(127.03)	-	-	(353.04)	(353.04)
<b>Profit / (Loss) after Tax</b>	<b>5,325.85</b>	<b>(1,010.67)</b>	<b>(2,493.07)</b>	<b>1,822.11</b>	<b>4,673.45</b>	<b>1,045.74</b>	<b>(2,431.96)</b>	<b>3,287.23</b>
<b>Other Information</b>								
Carrying amount of Segment Assets	4,557.03	6,067.94	22,418.43	33,043.40	4,590.26	5,131.66	22,655.14	32,377.06
Carrying amount of Segment Liabilities	2,504.97	1,652.55	1,009.51	5,167.03	2,019.91	1,415.20	1,019.16	4,454.27
Cost incurred to acquire Segment Property, Plant and Equipment and Other Intangible Assets during the year (net of intercompany)	539.87	279.75	285.58	1,105.20	403.46	538.50	26.13	968.09
Depreciation / Amortisation	574.90	289.38	210.42	1,074.70	653.08	250.21	223.07	1,126.36
Significant Non-Cash Expenses	520.35	787.84	(305.90)	1,002.30	565.22	293.13	1,229.19	2,087.54

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## Geographical

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	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	18,051.31	31,567.09	1,105.20	19,596.37	30,988.72	968.09
Outside India	2,803.84	1,476.31	-	3,317.86	1,388.34	-
<b>Total</b>	<b>20,855.15</b>	<b>33,043.40</b>	<b>1,105.20</b>	<b>22,914.23</b>	<b>32,377.06</b>	<b>968.09</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 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 Company other components);
    - b. Whose operating results are regularly reviewed by the Group 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 and 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 Executive Management.

## 39. Related Party Disclosures

### a. List of Related Parties:

**Entity where control exists** Asian Institute of Communication and Research ("AICAR") (upto August 1, 2017)

### 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 Jhunjhunwala - Chairman  
 Mr. Vijay Aggarwal  
 Mr. Asit Koticha  
 Mrs. Madhu Jayakumar  
 Mr. Madhusudan Kela  
 Mr. Nikhil Dalal  
 Mr. Ninad Karpe  
 Mr. Utpal Sheth  
 Mr. C. Y. Pal (upto February 7, 2018)

**b. Key Management Personnel Compensation (Refer Note 29.2)**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Managing Director and CEO	249.81	270.07
Whole Time Director	145.83	150.17
Executive Vice President and CFO	114.58	109.86
Company Secretary	38.88	38.01
<b>Total</b>	<b>549.10</b>	<b>568.11</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

**c. Transactions with Related Parties**

The following transactions occurred with related parties during the year :

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend paid		
Key Managerial Personnel	0.21	0.06
Entities controlled / significantly influenced by Directors / Close Family members of Directors	672.79	580.01
Commission		
Non-executive Directors	11.50	16.00
Sitting Fees		
Non-executive Directors	13.80	17.80
Services received from Other Related Parties		
Mr. Ninad Karpe	32.50	12.79
Airpay Payment Services Private Limited (Entity controlled / significantly influenced by Close Relatives of Promoter)	1.43	1.08
Advance to Asian Institute of Communication and Research ("AICAR")	-	77.15
Loans recovered from Key Managerial Personnel		
Mr. Anuj Kacker	(5.27)	(4.77)

**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 :

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Name of Key Managerial Personnel</b>		
Mr. Anuj Kacker	25.84	31.11
<b>Others</b>		
Asian Institute of Communication and Research ("AICAR")	-	-

**40. Contingent Liabilities and Contingent Assets**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debt (Refer Note 40.1)	218.82	131.64
Counter Guarantees to Bank for Projects	530.49	1,309.13
<b>Total</b>	<b>749.31</b>	<b>1,440.77</b>

## APTECH LIMITED

**40.1** 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 and Consumer case pending with Courts. The Group 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 does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

**40.2** Guarantees with banks are for the projects that are being executed.

**40.3** The amounts assessed as Contingent Liability do not include interest that could be claimed by counter parties.

### 41. Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	80.95	206.46
<b>Total</b>	<b>80.95</b>	<b>206.46</b>

### 42. Leases

#### 42.1 Non-Cancellable Operating Leases

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	159.10	126.84
Later than 1 year but not later than 5 years	103.82	85.69
Later than 5 year	-	-
<b>Total</b>	<b>262.92</b>	<b>212.53</b>

#### 42.2 Rental expense relating to Operating Leases

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	752.34	760.74
<b>Total rental expense relating to Operating Leases</b>	<b>752.34</b>	<b>760.74</b>

#### General Description of leasing arrangements:

- i. Leased Assets: Offices;
- ii. Future Lease rentals are determined on the basis of agreed terms;
- iii. At the expiry of lease terms, the Group has an option to return the assets or extend the term by giving notice in writing;
- iv. Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.



## 43. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2019	As at March 31, 2018
A. Basic Earnings Per Share		
i. Net Profit attributable to Equity Shareholders (₹ in lakhs)	1,822.11	3,287.72
ii. Weighted average number of Equity Shares Outstanding (Nos.)	39,893,560	39,893,560
<b>Basic EPS (₹) (i)/(ii)</b>	<b>4.57</b>	<b>8.24</b>
B. Diluted Earnings Per Share		
i. Weighted average number of Equity Shares Outstanding (Nos.)	39,893,560	39,893,560
ii. Add: Potential Equity Shares on exercise of ESOPs (Nos.)	1,053,454	1,950,213
iii. Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii)	40,947,014	41,843,773
<b>Diluted EPS (₹) {(A) (i) / (B) (iii)}</b>	<b>4.45</b>	<b>7.86</b>

## 44. Foreign Currency Exposure which are not hedged

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Trade Receivables	1,367.25	1,388.34
	<u>1,367.25</u>	<u>1,388.34</u>

45. The figures for the previous year has been regrouped/ rearranged/ reclassified wherever necessary to correspond with figures of current year.

# APTECH LIMITED

## 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, 2019, 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, 2019, 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 opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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, 2019 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> Effective April 1, 2019, the Company has adopted a new accounting standard, Ind AS 115 on "Revenue from Contracts with Customers" using the Cumulative effect method, and it is applied retrospectively only to contracts those are not completed as at the date of initial application and the comparative period is not restated. Ind AS 115 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. 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 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. [Refer Notes 2.p. and 25 to the standalone financial statements].	We assessed the Company's process to identify the impact of adoption of Ind AS 115, the new revenue accounting standard. Our audit procedures included, among others, the following : <ul style="list-style-type: none"><li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of Ind AS 115;</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><li>• Evaluated the cumulative effect of adjustment, if any, as at April 1, 2018 for compliance with Ind AS 115;</li><li>• Evaluated the appropriateness and assessed the completeness of the disclosures in accordance with the requirements of Ind AS 115.</li></ul>

<b>Cancellation of ESOP Options due to non-fulfillment of vesting criteria</b>	
<p>The Company granted Stock Options to its employees under Aptech Limited – Employee Stock Option Plan 2016 (“the ESOP Scheme”), to vest on fulfilling certain conditions. Accordingly, the Company has been recognising compensation expenses for such options under ‘Employee Benefits Expense’ as ‘Share Based Payment to Employees’. Out of ESOPs, it is considered that certain ESOPs would not vest and stands lapsed/cancelled due to non-fulfillment of vesting conditions, and accordingly, Share Based Payment to Employees recognised in relation to such lapsed/cancelled options were reversed.</p> <p>The estimate that the conditions for vesting of ESOPs would not be fulfilled involves appropriate assumptions and significant judgement and also considering the materiality of amount involved, the accounting treatment of reversal of Share Based Payment to Employees is considered to be a key audit matter.</p> <p>[Refer Note 29 to the standalone financial statements]</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the ESOP Scheme and the conditions specified in the Scheme for grant and vesting of ESOPs;</li> <li>• Evaluated whether the accounting treatment was in compliance with Ind AS 102: “Share- based Payment”;</li> <li>• Assessed the appropriateness of the judgment and assumptions considered for the decision for non-vesting of ESOPs considering the conditions under the ESOP Scheme;</li> <li>• Verified the accounting treatment of reversal of Share Based Payment to Employees;</li> <li>• Evaluated the adequacy of the related disclosures in the standalone financial statements.</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 require –</p> <ul style="list-style-type: none"> <li>• the appropriateness of accounting policies for determination of Allowance for ECL;</li> <li>• operational procedures and systems of internal control in estimation of ECL;</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.</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>In view of the determination of the basis and quantum of Allowance of ECL, it is a significant item in the standalone financial statements and hence, considered to be a key audit matter.</p> <p>[Refer Notes 2.o.vi, 11 and 15 to the standalone financial statements]</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 amount;</li> <li>• Evaluated the completeness of disclosures in respect of Allowance for Expected Credit Loss.</li> </ul>

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

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the 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.

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.

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

The Board of Directors 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 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.

### **Emphasis of Matter**

Attention is invited to Note 28.2 to the standalone financial statements about the remuneration of ₹ 9.81 lakhs provided and paid to the Managing Director during the Financial Year 2018-19 in excess of the limit prescribed under Section 197 read with Schedule V to the Companies Act, 2013, which shall be regularised by the Company by taking approval from the shareholders at the ensuing Annual General Meeting, till such time the excess remuneration paid is held by the Managing Director in trust for the Company.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:

Attention is invited to Note 28.2 to the standalone financial statements about the remuneration of ₹ 9.81 lakhs provided and paid to the Managing Director during the Financial Year 2018-19 in excess of the limit prescribed under Section 197 read with Schedule V to the Companies Act, 2013, which shall be regularised by the Company by taking approval from the shareholders at the ensuing Annual General Meeting, till such time the excess remuneration paid is held by the Managing Director in trust for the Company.

Read with our remarks in the above paragraph, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year 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.

- 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 39 forming part of standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
- 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. 036148

**Place :** Mumbai  
**Date :** May 21, 2019

## APTECH LIMITED

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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, 2019.

#### **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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 in 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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;
- 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, 2019, 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. 036148

**Place :** Mumbai  
**Date :** May 21, 2019

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

Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Standalone Financial Statements for the year ended March 31, 2019.

**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. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act except for loan given to the Whole Time Director aggregating ₹ 25.84 Lakhs, 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 has been stipulated and repayments of principal and interest have been regular as per stipulations. There are no amounts overdue for more than ninety days as at March 31, 2019.
- iv. In our opinion and according to the information and explanations given to us, 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 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 taken any loans or borrowings from any bank, financial institution or Government and has not issued any debenture and hence, there are no dues in respect of any loan or borrowing during the year. Accordingly, paragraph 3(viii) of the Order in respect thereof is not applicable.
- 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. The Company has paid Managerial Remuneration to Managing Director for the Financial Year 2018-19 which is in excess by ₹ 9.81 lakhs of the limits specified as per Section 197 read with Schedule-V of the Companies Act 2013. Pursuant to provisions of the Companies (Amendment) Act, 2017, the Company is required to take approval for the excess paid from the shareholders at the ensuing Annual General Meeting until which the said excess is held by the Managing Director in trust for the Company. 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 ₹ 25.21 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. 036148

Place : Mumbai  
Date : May 21, 2019

**APTECH LIMITED**
**Balance Sheet as at March 31, 2019**

(₹ in lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4	1,320.90	1,456.12
Other Intangible Assets	5	810.68	717.15
Intangible Assets under Development	5	114.42	110.99
<b>Financial Assets</b>			
Investments	6	10,793.99	10,641.79
Loans	7	77.34	99.27
Deferred Tax Assets (Net)	33	1,611.18	1,656.02
Other Non-current Assets	8	643.68	141.17
<b>Total Non-current Assets</b>		<b>15,372.19</b>	<b>14,822.51</b>
<b>Current Assets</b>			
Inventories	9	92.39	42.64
<b>Financial Assets</b>			
Investments	10	-	750.79
Trade Receivables	11	5,584.74	5,108.32
Cash and Cash Equivalents	12	466.71	924.98
Other Bank Balances	13	2,190.99	2,912.45
Loans	14	1,220.93	1,693.10
Other Financial Assets	15	794.83	758.66
Other Current Assets	16	501.36	419.84
<b>Total Current Assets</b>		<b>10,851.95</b>	<b>12,610.78</b>
<b>TOTAL ASSETS</b>		<b>26,224.14</b>	<b>27,433.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	3,989.36	3,989.36
Other Equity	18	19,078.03	20,409.29
<b>Total Equity</b>		<b>23,067.39</b>	<b>24,398.65</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Provisions	19	176.65	164.39
<b>Total Non-current Liabilities</b>		<b>176.65</b>	<b>164.39</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables	21	1,414.87	1,380.23
Other Financial Liabilities	22	1,083.07	808.94
Provisions	23	33.75	34.34
Other Current Liabilities	24	448.41	646.74
<b>Total Current Liabilities</b>		<b>2,980.10</b>	<b>2,870.25</b>
<b>Total Liabilities</b>		<b>3,156.75</b>	<b>3,034.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,224.14</b>	<b>27,433.29</b>
Notes (Including Significant Accounting Policies) Forming Part of the Standalone Financial Statements	1-44		

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

**PARESH H. CLERK**  
Partner  
Membership No. 036148  
**Place :** Mumbai  
**Dated :** May 21, 2019

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



## Statement of Profit and Loss for the period ended March 31, 2019

(₹ in lakhs other than EPS)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	25	14,078.02	15,913.97
Other Income	26	470.56	431.70
<b>Total Income</b>		<b>14,548.58</b>	<b>16,345.67</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade		177.82	74.28
Changes in Inventories of Stock-in-Trade	27	(49.75)	25.75
Employee Benefits Expense	28	5,064.14	5,160.35
Share Based Payment to Employees	29	(352.19)	1,168.97
Finance Costs	30	9.18	6.01
Depreciation and Amortisation Expense	4, 5	699.64	751.04
Other Expenses	31	8,300.94	8,435.43
<b>Total Expenses</b>		<b>13,849.78</b>	<b>15,621.83</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>698.80</b>	<b>723.84</b>
Exceptional Item (Net)	32	-	1,556.15
<b>Profit Before Tax</b>		<b>698.80</b>	<b>2,279.99</b>
<b>Income Tax Expense</b>			
Current Tax	33	198.64	541.47
Deferred Tax	33	(19.67)	(167.25)
<b>Total Tax Expense</b>		<b>178.97</b>	<b>374.22</b>
<b>Profit/ (Loss) for the year</b>		<b>519.83</b>	<b>1,905.77</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
i. Gain/ (Loss) on Remeasurement of Defined Benefit Plan		(28.59)	(67.82)
ii. Gain on Fair Valuation of Equity Instruments		159.06	162.58
iii. Income Tax on above		7.81	14.47
<b>Other Comprehensive Income for the year (Net of Tax)</b>		<b>138.28</b>	<b>109.23</b>
<b>Total Comprehensive Income for the year</b>		<b>658.11</b>	<b>2,015.00</b>
<b>Earnings Per Share</b>			
	42		
Basic Earnings Per Share (Face Value of ₹ 10 each)		1.30	4.78
Diluted Earnings Per Share (Face Value of ₹ 10 each)		1.27	4.57

Notes (Including Significant Accounting Policies) Forming Part of the Standalone Financial Statements **1-44**

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

**PARESH H. CLERK**  
Partner  
Membership No. 036148  
Place : Mumbai  
Dated : May 21, 2019

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

**Statement of Changes in Equity for the Year ended March 31, 2019**

**A. Equity Share Capital**

Particulars	Notes	No. of shares	₹ in lakhs
Balance as at April 1, 2017		39,893,560	3,989.36
Changes in Equity Share Capital	17	-	-
Balance as at March 31, 2018		39,893,560	3,989.36
Changes in Equity Share Capital	17	-	-
Balance as at March 31, 2019		39,893,560	3,989.36

**B. Other Equity**

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Redemption Reserve	Securities Premium Account	Share Options Outstanding Account	General Reserves		
Balance as at April 1, 2017	1,774.59	8,977.20	580.53	624.98	6,851.32	18,607.38
Profit/(Loss) for the year	-	-	-	-	1,905.77	1,905.77
Share Based Payments to Employees	-	-	1,227.36	-	-	1,227.36
Gain/(Loss) on Fair Valuation of Equity Instruments	-	-	-	-	162.58	162.58
Other Comprehensive Income for the year (Net of Income Tax)	-	-	-	-	(53.35)	(53.35)
Interim Dividends	-	-	-	-	(1,196.81)	(1,196.81)
Corporate Tax on Interim Dividends	-	-	-	-	(243.64)	(243.64)
<b>Total Comprehensive Income for the Year</b>	-	-	1,227.36	-	411.97	1,801.91
Balance as at March 31, 2018	1,774.59	8,977.20	1,807.89	624.98	7,263.29	20,409.29
Profit/(Loss) for the Year	-	-	(306.04)	-	519.83	519.83
Share Based Payments to Employees	-	-	-	-	-	(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 Dividends	-	-	-	-	(1,396.27)	(1,396.27)
Corporate Tax on Interim Dividends	-	-	-	-	(287.06)	(287.06)
<b>Total Comprehensive Income for the Year</b>	-	-	(306.04)	-	(1,184.28)	(1,331.26)
Balance as at March 31, 2019	1,774.59	8,977.20	1,501.85	624.98	6,079.01	19,078.03

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

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

**PARESH H. CLERK**

Partner  
Membership No. 036148

Place : Mumbai

Dated : May 21, 2019

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

## Statement of Cash Flows for the Year ended March 31, 2019

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>698.80</b>	<b>2,279.99</b>
<b>Adjustments for:</b>		
Share Based Payment to Employees	(352.19)	1,168.97
Depreciation and Amortisation Expense	699.64	751.04
Advance written off	-	163.22
Allowances for Expected Credit Loss (Net)	894.77	450.89
Bad debts written off	0.14	165.69
Dividend Income	(228.44)	(95.75)
Finance Costs	9.18	6.01
Interest Income	(130.57)	(193.91)
Excess Provisions written back	42.66	(139.18)
Unrealised Loss/ (Gain) on Exchange Fluctuation (Net)	(36.24)	(18.66)
Profit on Sale of Property, Plant and Equipment (Net)	4.40	(1,556.15)
	<b>903.35</b>	<b>702.17</b>
<b>Operating Profit before Working Capital Changes</b>	<b>1,602.15</b>	<b>2,982.16</b>
<b>Changes in Assets and Liabilities</b>		
Decrease/(Increase) in Inventories	(49.75)	25.75
Decrease/(Increase) in Trade Receivables and Unbilled Revenue	(1,398.01)	(2,519.42)
Decrease/(Increase) in Loans	106.31	(18.99)
Decrease/(Increase) in Other Non-current Assets	67.22	8.98
Decrease/(Increase) in Other Financial Assets	26.75	(10.60)
Decrease/(Increase) in Other Current Assets	(81.52)	(94.09)
Increase/(Decrease) in Non-current Liabilities and Provisions	(16.32)	(42.73)
Increase/(Decrease) in Trade Payables	34.64	224.25
Increase/(Decrease) in Other Financial Liabilities	230.87	80.70
Increase/(Decrease) in Other Current liabilities	(198.33)	126.36
	<b>(1,278.14)</b>	<b>(2,219.79)</b>
<b>Cash generated from / (used in) Operations</b>	<b>324.01</b>	<b>762.37</b>
Income Tax (Paid)	(696.06)	(613.32)
<b>Net Cash generated from/ (used in) Operating Activities</b>	<b>(372.05)</b>	<b>149.05</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(709.54)	(821.87)
Sale of Property, Plant and Equipment	43.77	2,041.57
Purchase of Non-current Investments	6.85	(2,024.60)
Sale of Current Investments	750.79	1,074.28
Dividend Income	228.44	95.75
Interest Income	130.57	172.19
Repayment of Loans and Advances by Subsidiaries	433.94	969.93
Proceeds from/(Investing) in Bank Deposits (original maturity more than three months)	721.46	(1,478.64)
Loans and Advances - Repayment by/(given to) Related Party	-	1,372.82
<b>Net Cash generated from/ (used in) Investing Activities</b>	<b>1,606.28</b>	<b>1,401.42</b>

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid (Including Dividend Distribution Tax)	(1,683.33)	(1,440.45)
Finance Costs	(9.18)	(6.01)
<b>Net Cash generated from/ (used in) Financing Activities</b>	<b>(1,692.51)</b>	<b>(1,446.46)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(458.28)</b>	<b>104.01</b>
Cash and Cash Equivalents at the beginning of the year	924.99	820.98
Cash and Cash Equivalents at the end of the period	466.71	924.99
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(458.28)</b>	<b>104.01</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents disclosed under current assets	466.71	924.98
Add : Unrealised exchange (gain)/loss on Cash and Cash Equivalents		0.01
<b>Total Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>466.71</b>	<b>924.99</b>

- ii. Since the Company did not have any liability in respect of financing activities, there is no change in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.
- iii. 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.
- 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

**PARESH H. CLERK**  
Partner  
Membership No. 036148

**Place :** Mumbai  
**Dated :** May 21, 2019

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

## 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, 2019 are approved for issue by the Board of Directors of the Company on May 21, 2019.

## 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 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.

## APTECH LIMITED

- 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	05 years
Computers Hardware	03 years
Office Equipment	05 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

Inventory of educational course material is valued at the lower of cost or net realisable value. Cost of such material is 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. Cost recognition**

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.

**l. 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 OCI

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 FVTOCI 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-wares 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 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.

**q. Operating Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

**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 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 33.

**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. 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.

**v. 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.

**vi. 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.

**vii. 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.

**viii. 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):**

On March 30, 2019, Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has issued the following new and amendments to Ind ASs and are effective from accounting periods beginning on or after April 1, 2019. The Company intends to adopt these standards, if applicable, from April 1, 2019.

**Ind AS 12: Income taxes****Appendix C, Uncertainty over Income Tax Treatments**

This amendment is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, (1) the entity need to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which better predicts of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have right to examine and have full knowledge of all related information when making those examinations (3) entity has to consider whether it is probable that the taxation authority will accept the tax treatment and accordingly, determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

**Consequences of Dividend**

The amendment is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this amendment. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

### **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

### **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

### **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

### **Ind AS 116: Leases**

Ind AS 116 on “Leases” will replace the existing leases standard, Ind AS 17 on “Leases”. The new standard sets out the principles of recognition, measurement, presentation and disclosure for both parties to a lease contract, i.e. the lessee and the lessor. The core principle of the new standard is that an entity should recognise most leases on its balance sheet. The new standard introduces a single lessee accounting model with limited exemptions and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. Further, the standard also requires the enhanced disclosures. Ind AS 116 substantially carries forward the lessor accounting requirements as in Ind AS 17.

The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 on “Accounting Policies, Changes in Accounting Estimates and Errors”
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognised at the date of initial application.

If a lessee elects to apply modified approach, the lessee shall not restate comparative information. Instead, the lessee shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the ‘Modified Retrospective Approach’ for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings on the date of initial application, that is on April 1, 2019. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company has evaluated the effect of this on its financial statements and the impact is not material.

## 4. Property, Plant and Equipment

## Gross Carrying Amount

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Fittings	Total
<b>Balance as at April 1, 2017</b>	<b>262.15</b>	<b>942.82</b>	<b>266.28</b>	<b>312.25</b>	<b>152.87</b>	<b>81.67</b>	<b>50.79</b>	<b>2,068.83</b>
Additions	-	-	143.98	19.84	-	16.18	2.98	182.98
Disposals	(260.29)	(75.56)	-	-	-	-	-	(335.85)
<b>Balance as at March 31, 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>
<b>Accumulated Depreciation</b>								
<b>Balance as at April 1, 2017</b>	-	<b>24.78</b>	<b>73.69</b>	<b>57.00</b>	<b>11.93</b>	<b>18.97</b>	<b>3.90</b>	<b>190.27</b>
Depreciation Charge for the Year	-	24.41	128.99	80.52	21.60	21.86	8.86	286.24
Disposals	-	(16.67)	-	-	-	-	-	(16.67)
<b>Balance as at March 31, 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>
Net Carrying Amount as at April 1, 2017	262.15	918.04	192.59	255.25	140.94	62.70	46.89	1,878.56
Net Carrying Amount as at March 31, 2018	1.86	834.74	207.58	194.57	119.34	57.02	41.01	1,456.12
<b>Net Carrying Amount as at March 31, 2019</b>	<b>1.86</b>	<b>811.14</b>	<b>118.50</b>	<b>148.54</b>	<b>165.01</b>	<b>41.73</b>	<b>34.12</b>	<b>1,320.90</b>

## 5. Other Intangible Assets

## Gross Carrying Amount

(₹ in lakhs)

Particulars	Computer Software	Contents	Total
<b>Balance as at April 1, 2017</b>	<b>286.78</b>	<b>953.78</b>	<b>1,240.56</b>
Additions	98.72	297.10	395.82
<b>Balance as at March 31, 2018</b>	<b>385.50</b>	<b>1,250.88</b>	<b>1,636.38</b>
Additions	332.09	189.12	521.21
<b>Balance as at March 31, 2019</b>	<b>717.59</b>	<b>1,440.00</b>	<b>2,157.59</b>
<b>Accumulated Amortisation</b>			
<b>Balance as at April 1, 2017</b>	<b>75.02</b>	<b>379.42</b>	<b>454.44</b>
Amortisation charge for the period	109.57	355.22	464.79
<b>Balance as at March 31, 2018</b>	<b>184.59</b>	<b>734.64</b>	<b>919.23</b>
Amortisation charge for the period	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>
Net Carrying Amount as at April 1, 2017	211.76	574.36	786.12
Net Carrying Amount as at March 31, 2018	200.91	516.24	717.15
<b>Net Carrying Amount as at March 31, 2019</b>	<b>408.41</b>	<b>402.27</b>	<b>810.68</b>

5.1 Contents held by the Company are developed by Professional Subject Matter Experts, directly or indirectly. The content 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

### 6. Investments : Non-current

Particulars	Face Value of share	As at March 31, 2019		As at March 31, 2018
		No. of shares	₹ in lakhs	₹ 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	₹ 10	82,841	8.28	8.28
Maya Entertainment Limited	₹ 10	27,642,107	6,074.35	6,074.35
Aptech Venture Limited	1 Euro	345,245	231.40	231.40
Aptech Training Limited F.Z.E., Dubai	100000 AED	7	66.61	66.61
Aglsm Sdn.Bhd. Malaysia	1 RM	545,140	105.45	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	2,841,093	1,904.26	1,904.26
<b>Sub-total (b)</b>			<b>1,904.26</b>	<b>1,904.26</b>
<b>Subtotal (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 Share (Refer Note 6.2)	₹ 1000.00	200,000	2,018.01	2,024.86
<b>Subtotal (B)</b>			<b>2,018.01</b>	<b>2,024.86</b>
<b>C. Investments at Fair Value Through Other Comprehensive Income (FVTOCI)</b>				
<b>Unquoted</b>				
Syntea Polland JV	.20 PLN	350,000	385.63	226.57
Handy Training Technologies	₹ 10.00	2,500	-	-
<b>Sub-total (C)</b>			<b>385.63</b>	<b>226.57</b>
<b>Total Non-current Investment (A+B+C)</b>			<b>10,793.99</b>	<b>10,641.79</b>
Aggregate amount of quoted investments and market value thereof			-	-
Aggregate amount of unquoted investments			10,793.99	10,641.79
Aggregate amount of impairment in the value of investments			-	-

**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"). 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.



## 7. Loans : Non-current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, Considered Good</b>		
Security Deposits	51.12	68.94
Loans and Advances to Employees	26.22	30.33
Loans Receivables which have significant increase in Credit Risk	-	-
Loand Receivables - Credit impaired	-	-
<b>Total</b>	<b>77.34</b>	<b>99.27</b>

## 8. Other Non-current Assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advance	0.35	-
Current Tax Assets (Net) (Refer Note 8.1)	635.97	130.74
Prepaid Expenses	7.36	10.43
<b>Total</b>	<b>643.68</b>	<b>141.17</b>

## 8.1. Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	130.74	44.42
Additions during the year	696.06	613.32
Less : Current Tax Expenses	190.83	527.00
<b>Total</b>	<b>635.97</b>	<b>130.74</b>

## 9. Inventories

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Education and Training Materials ( Stock-in-Trade)	92.39	42.64
<b>Total</b>	<b>92.39</b>	<b>42.64</b>

9.1 The Cost of Inventories recognised as an expenses includes ₹ 13.12 lakhs (Previous Year : ₹ 21.96 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. Investments : Current

Particulars	Face Value of Bond	As at March 31, 2019	As at March 31, 2018
	Amount in ₹	No of Units	₹ in lakhs
<b>Investments at Fair Value Through Profit and Loss (FVTPL)</b>			
<b>Investment in Tax Free Bonds</b>			
<b>Quoted</b>			
IRFC Tax Free Bond Series 89 Option II-2028-8.46%	1,000,000	12	-
NHB Tax Free Bond Series V-2018@8.46%	1,000,000	50	-
<b>Total Current Investments</b>			<b>750.79</b>
Aggregate amount of quoted investments and market value thereof			750.79
Aggregate amount of unquoted investments			-
Aggregate amount of impairment in the value of investments			-

## APTECH LIMITED

### 11. Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured</b>		
<b>Considered Good</b>		
Receivables from Related Parties	834.09	1,074.53
Receivables from Others	4,750.65	4,033.79
<b>Credit impaired</b>	161.87	650.94
Less : Provision for Expected Credit Loss (Refer Note 11.3)	161.87	650.94
<b>Total</b>	<b>5,584.74</b>	<b>5,108.32</b>

#### Note:

- 11.1 Balances of Trade Receivables are subject to confirmation and reconciliation and generally non interest bearing.
- 11.2 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.
- 11.3 In determining the allowances for doubtful 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	More than 365 days
Default Rate *	1%	2.50%	5%	20%

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

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the Year</b>	650.94	414.00
Add : Allowance for Expected Credit Loss during the year	324.29	314.89
Less : Bad Debts Written off during the year	813.36	77.95
<b>Provision at the end of the Year</b>	<b>161.87</b>	<b>650.94</b>

### 12. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	1.08	9.42
Balance with Banks in		
Current Account	396.09	769.63
EEFC Accounts	69.54	145.93
<b>Total</b>	<b>466.71</b>	<b>924.98</b>

### 13. Other Bank Balances

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked Balances - Unpaid Dividend	178.06	176.38
Bank Deposits (With Original Maturity more than three months)	2,012.93	2,736.07
<b>Total</b>	<b>2,190.99</b>	<b>2,912.45</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 Company, 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** At March 31, 2019, the Company had available ₹ 69.74 lakhs (Previous Year : ₹ 927.63 lakhs) of undrawn committed borrowing facilities.
- 13.3** Bank Deposits include restricted balances of ₹ 1,012.97 lakhs (Previous Year : ₹ 1,836.07) lakhs respectively. The restriction are primarily on account of cash and bank balances held as margin money deposits against guarantees and overdraft facility.
- 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.

**14. Loans : Current**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, Considered Good</b>		
Loans and Advances to Related Parties (Refer Note 14.1)	936.28	1,370.22
Loans and Advances to Employees	73.36	87.35
Security Deposits		
Earnest Money Deposit	100.64	116.57
Other Deposits	110.65	118.96
<b>Total</b>	<b>1,220.93</b>	<b>1,693.10</b>

**14.1. 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Attest Testing Services Limited	Subsidiary	913.26	1,150.55	1,278.13	1,583.58
Maya Entertainment Limited	Subsidiary	17.61	214.26	214.34	1,331.29
Aptech Venture Limited	Subsidiary	5.41	5.41	5.41	5.41
<b>Total</b>		<b>936.28</b>	<b>1,370.22</b>		

**Note:**

Subsidiary classification is in accordance with the Companies Act, 2013.

**14.2. 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, 2019	As at March 31, 2018
<b>Subsidiaries</b>			
Attest Testing Services Limited	Working Capital and Project Funding	913.26	1,150.55
Maya Entertainment Limited	Working Capital	17.61	214.26
Aptech Venture Limited	Working Capital	5.41	5.41
<b>Key Managerial Personnel</b>		25.84	31.11
Mr. Anuj Kackar	Personal loan		

## APTECH LIMITED

### 15. Other Financial Assets : Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue (Refer Note 15.1)	1,481.38	847.98
Less : Allowance for Expected Credit Loss		
Opening Balance	136.00	
Allowance for Expected Credit Loss during the year	570.48	136.00
	774.90	711.98
Interest Receivable	19.93	46.68
<b>Total</b>	<b>794.83</b>	<b>758.66</b>

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 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.

### 16. Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance to Suppliers	50.17	109.92
Prepaid Gratuity	43.90	26.68
Prepaid Expenses	141.41	137.49
Balances with Government Authorities (Refer Note 16.1)	265.88	145.75
<b>Total</b>	<b>501.36</b>	<b>419.84</b>

16.1 Includes Input Tax Credit of GST, Service Tax claimed in Trans 1 and VAT.

### 17. Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<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>		
3,98,93,560 (Previous Year : 3,98,93,560) equity shares of ₹ 10 each	3,989.36	3,989.36
<b>Total</b>	<b>3,989.36</b>	<b>3,989.36</b>

17.1 Out of the shares outstanding, 11,271 Equity Shares (Previous Year : 11,271) of ₹10 each fully paid up are represented by 22,542 (Previous Year : 11,271) Global Depository Receipts (GDRs) of USD 7.175 each.

### 17.2 Dividend Paid

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend Paid (₹ in lakhs)	1,683.33	1,440.45
Dividend Per Share (₹)	3.50	3.00

### Terms and Rights attached to Equity Shares

- Equity Shares have a par value of ₹ 10. They 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.

**17.3 Details of shareholders holding more than 5% of shares**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Rare Equity Private Limited	8,443,472	21.17	8,443,472	21.17
Rakesh Jhunjhunwala	5,094,100	12.77	5,019,100	12.58
Rekha Jhunjhunwala	4,574,740	11.47	4,574,740	11.47

**17.4 Details of Share reserved for issue under Option Outstanding at the end of the Year**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	in Lakhs	Number of shares	in Lakhs
Equity Shares reserved for ESOP*	967,692	96.77	1,852,052	185.21

\* For terms of ESOP - Refer Note 29

**18. Other Equity**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Capital Redemption Reserve	1,774.59
Securities Premium Account	8,977.20	8,977.20
Share Options Outstanding Account		
Opening Balance	1,807.89	580.53
Current Year Provision	(306.04)	1,227.36
Closing Balance	1,501.85	1,807.89
General Reserves	624.98	624.98
Retained Earnings	6,079.01	7,263.29
Equity Instruments through Other Comprehensive Income		
Opening Balance	(38.66)	(201.24)
Current Year Provision	159.06	162.58
Closing Balance	120.40	(38.66)
<b>Total</b>	<b>19,078.03</b>	<b>20,409.29</b>

**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 ESOP 2016 scheme. In accordance with the Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014 ('SEBI Regulations'), approval of shareholders of the Company was obtained at the Annual General Meeting held on 27th September 2016 to create, offer and grant upto 44,32,620 options under the Aptech ESOP 2016 scheme to the employees of the Company and its subsidiaries. These options will vest in 3rd, 4th and 5th year based on the tenure of eligible employees and performance criteria.

**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.

## APTECH LIMITED

### 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 May 21, 2019 have recommended an Interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) which would result in a cash outflow of ₹ 1683.33 lakhs, inclusive of Dividend Distribution tax for the year ended March 31, 2019. The Board of Directors at its meeting held on May 30, 2018 had recommended a interim dividend of 35% (₹ 3.50 per Equity Share of par value ₹ 10 each) and paid which resulted in a cash outflow of ₹ 1683.33 lakhs, inclusive of Dividend Distribution Tax for the year ended March 31, 2018.

**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. Provisions : Non-current

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Provision for Employee Benefit Obligations		
Compensated Leave Absences (Refer Note 20)	176.65	164.39
<b>Total</b>	<b>176.65</b>	<b>164.39</b>

#### 20. Employee Benefit Obligations

(₹ in lakhs)

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	Current	Non Current	Current	Non Current
Compensated Leave Absences (Unfunded)	33.75	176.65	34.34	164.39
<b>Total</b>	<b>33.75</b>	<b>176.65</b>	<b>34.34</b>	<b>164.39</b>

##### i. Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 33.75 lakhs (Previous Year : ₹ 34.34 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

###### Gratuity

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 Contributions 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 ₹ 230.75 lakhs (Previous Year : ₹ 246.15 lakhs).

**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:

(₹ in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	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>553.81</b>	<b>(580.49)</b>	<b>(26.68)</b>	<b>559.00</b>	<b>(545.66)</b>	<b>13.34</b>
Interest Expense/(Income)	43.64	(45.74)	(2.10)	40.58	(39.61)	0.97
Current Service Cost	58.29	-	58.29	51.19	-	51.19
<b>Total Amount recognized in Profit and Loss</b>	<b>101.93</b>	<b>(45.74)</b>	<b>56.19</b>	<b>91.77</b>	<b>(39.61)</b>	<b>52.16</b>
Return on Plan Assets, excluding amounts included in interest	-	2.62	2.62	-	10.47	10.47
Remeasurements	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	8.02	-	8.02	(27.68)	-	(27.68)
Experience (gains)/losses	17.95	-	17.95	85.03	-	85.03
<b>Total amount recognised in Other Comprehensive Income</b>	<b>25.97</b>	<b>2.62</b>	<b>28.59</b>	<b>57.35</b>	<b>10.47</b>	<b>67.82</b>
Employer Contributions	-	(102.00)	(102.00)	-	(160.00)	(160.00)
Benefit Payments	(99.18)	99.18	-	(154.31)	154.31	-
<b>As at March 31</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>

**iv. Category of Assets**

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Insurance fund	626.43
<b>Total</b>	<b>626.43</b>	<b>580.49</b>

**v. Post-Employment Benefits (Gratuity)**

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	Discount rate	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	5.75%	5.75%

## APTECH LIMITED

### Sensitivity Analysis

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefits Obligation on Current Assumptions	582.24	553.81
Delta Effect of +1% Change in Rate of Discounting	(40.25)	(40.20)
Delta Effect of -1% Change in Rate of Discounting	45.65	45.81
Delta Effect of +1% Change in Rate of Salary Increase	46.07	46.33
Delta Effect of -1% Change in Rate of Salary Increase	(41.30)	(41.33)
Delta Effect of +1% Change in Rate of Employee Turnover	4.54	5.49
Delta Effect of -1% Change in Rate of Employee Turnover	(5.16)	(6.21)

#### Additional Details

<b>Methodology Adopted for Assured Life Mortality (ALM)</b>	Projected Unit Credit Method
	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count.
<b>Usefulness and Methodology adopted for Sensitivity Analysis</b>	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

#### vi. Maturity Analysis of Projected Benefits Obligation: From the Fund

Maturity Analysis of Projected Benefits Obligation is done considering future salary, attrition and 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, 2019</b>					
Defined Benefits obligation (Gratuity)	64.61	19.21	110.88	979.37	1,174.07
<b>As at March 31, 2018</b>					
Defined Benefits obligation(Gratuity)	70.56	19.60	106.72	1,280.31	1,477.18

#### 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

- 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.
- 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.
- 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 ₹ 59.88 lakhs (Previous Year : ₹ 81.81 lakhs).



**21. Trade Payables** (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Outstanding Dues of Micro, Small and Medium-sized Enterprises (MSMEs)	-	-
Trade Payables to Related Parties (Refer Note 38.e)	2.92	2.92
Total Outstanding Dues Of Creditors Other than MSMEs (Refer Note 21.1)	1,411.95	1,377.31
<b>Total</b>	<b>1,414.87</b>	<b>1,380.23</b>

**21.1** 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.

**22. Other Financial Liabilities : Current** (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Creditors	241.43	59.67
Liability for Expenses	739.15	602.86
Security Deposits	102.49	146.41
<b>Total</b>	<b>1,083.07</b>	<b>808.94</b>

**23. Provisions : Current** (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefit Obligations		
Compensated Leave Absences (Refer Note 20)	33.75	34.34
<b>Total</b>	<b>33.75</b>	<b>34.34</b>

**24. Other Current Liabilities** (₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Received from Customers (Refer Note 24.2)	87.81	104.57
Unearned Revenue (Refer Note 24.1)	83.74	86.13
Statutory Dues Payable	94.87	276.65
Unclaimed Dividends	178.16	176.38
Other Liabilities	3.83	3.01
<b>Total</b>	<b>448.41</b>	<b>646.74</b>

**24.1** Unearned Revenue is invoice raised in advance for services yet to be delivered. In other words, the underlying effort are yet to be given.

**24.2** 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-wares 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.

**25. Revenue from Operations** (₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Sales and Services	14,078.02	15,913.97
<b>Total</b>	<b>14,078.02</b>	<b>15,913.97</b>

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**25.1** Effective April 1, 2018, the Group has adopted Ind AS 115 on "Revenue from Contracts with Customers" using the Cumulative effect method, and it is applied retrospectively only to contracts those are not completed as at the date of initial application and the comparative information is not restated. Since the Group did not have any contract that was not completed as on April 1, 2018, there is no impact on its Opening Balance of Retained Earnings as per transition provisions under Ind AS 115. Further, as the Company did not have any contract that was not completed as on March 31, 2019, there is no impact due to adoption of Ind AS 115 on the Revenue Recognised for the quarter and year ended March 31, 2019. Due to the adoption of Ind AS 115, the impact, if any, mainly were to be on Institutional Segment.

(₹ in lakhs)		
25.2 Disaggregate Revenue		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue based on Services		
a. Training and Education	9,895.82	10,673.45
b. Assessment Solution	4,182.20	5,240.52
	<b>14,078.02</b>	<b>15,913.97</b>
Revenue based on type of customers		
a. Government	3,443.68	4,319.27
b. Non-Government	10,634.34	11,594.70
	<b>14,078.02</b>	<b>15,913.97</b>
Revenue based on Geography		
a. India	11,811.82	13,878.00
b. Outside India	2,266.20	2,035.97
	<b>14,078.02</b>	<b>15,913.97</b>

**25.3** 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.

(₹ in lakhs)		
26. Other Income		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest Income</b>		
On Deposit with Banks	126.53	127.23
On Employee Loans	3.84	4.15
On Financial Assets measured at FVTPL	-	42.70
Dividend on Financial Assets measured at Amortised Cost	150.00	95.75
Net Gain on Investments measured at FVTPL	(6.85)	17.59
Dividend Income from Subsidiary Company	78.44	-
Net Gain on Sale of Bonds measured at FVTPL	-	2.87
Net Gain on Sale of Units of Mutual Funds measured at FVTPL	10.37	-
Excess Provision Written back	42.66	139.18
Net Foreign Exchange Gains	60.97	-
Net Gain on Sale of Property, Plant and Equipment	4.40	-
Miscellaneous Income	0.20	2.23
<b>Total</b>	<b>470.56</b>	<b>431.70</b>

(₹ in lakhs)		
27. Change in Inventory of Stock-in-Trade		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock</b>		
Traded Goods	42.64	68.39
<b>Less: Closing Stock</b>		
Traded Goods	92.39	42.64
<b>Total</b>	<b>(49.75)</b>	<b>25.75</b>

**28. Employee Benefits Expense**

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Incentives and Allowances	4,627.42	4,663.72
Staff Welfare Expenses	93.49	121.92
Contribution to Provident and Other Funds	230.75	246.15
Compensated Leave Absences	59.88	81.81
Gratuity Expenses	52.60	46.75
<b>Total</b>	<b>5,064.14</b>	<b>5,160.35</b>

**28.1** Gratuity Expenses are after capitalising the sum of ₹ 3.59 lakhs (Previous Year : ₹ 5.41 lakhs) to Contents.

**28.2** The above includes Managerial Remuneration to Managing Director ('MD') and Wholetime Director ('WTD') as disclosed hereunder;  
(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Incentives and Allowances	249.81	401.24
Contribution to Provident and Other Funds	145.83	19.00
<b>Total</b>	<b>395.64</b>	<b>420.24</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 2018-19, the remuneration provided/paid to the Managing Director, to the extent of ₹ 9.81 lakhs, is in excess of the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 for which the Company will seek approval of the Shareholders to regularise the same at the ensuing Annual General Meeting, till such time the excess remuneration paid is held by Managing Director in trust for the Company.

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 ₹ 25.21 lakhs has already been recovered.

**29. Share-Based Payments**

Employee Option Scheme :

The Members of the Company at its Annual General Meeting held on September 27, 2016 approved the Aptech Employee Stock Option Scheme 2016 ("the Scheme") The Employee Stock Option Scheme 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
I	27-09-2016	1,771,690
II	19-10-2016	51,965
III	24-01-2017	96,000
IV	24-05-2017	24,500
V	31-07-2017	21,000
VI	09-11-2017	101,512
VII	07-02-2018	68,000
VIII	26-07-2018	27,000
<b>Total No of Share Granted</b>		<b>2,161,667</b>

**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

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### ii. Set out below is a summary of options granted under the plan :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Average exercise price per share option	Number of units	Average exercise price per share option	Number of units
Opening Balance	67.00	4,419,620	67.00	4,358,530
Granted during the year	67.00	27,000	67.00	244,730
Lapsed during the year	67.00	2,284,953	67.00	183,640
Closing Balance	67.00	2,161,667	67.00	4,419,620

### iii. Share options outstanding at the end of the year have the following expiry date :

Date of Grant	Exercise Date	Vesting Dates
27-09-2016	26-09-2019	25-09-2020
19-10-2016	18-10-2019	17-10-2020
24-01-2017	23-01-2020	22-01-2021
24-05-2017	23-05-2020	22-05-2021
31-07-2017	30-07-2020	29-07-2021
09-11-2017	08-11-2020	07-11-2021
07-02-2018	06-02-2021	05-02-2022
26-07-2018	25-07-2021	24-07-2022

### 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

## vi. Expense arising from Share-Based Payment Transactions

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
ESOP Compensation Cost (Net)*	(352.19)	1,168.97
<b>Total</b>	<b>(352.19)</b>	<b>1,168.97</b>

\* The Company granted 44,32,260 Stock options to its employees under Aptech ESOP 2016 Scheme (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 'Employee Benefits Expense' as 'Share Based Payment to Employees'. The Company has estimated that 22,84,953 ESOPs will not vest as it stands lapsed/cancelled and accordingly, Compensation Expenses for ESOPs for the year ended results include gross reversal of ₹ 1,016.01 lakhs due to cancelled options.

## 30. Finance Costs

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses :		
On Working Capital Demand Loans Facility	8.83	5.97
On Commitment and Finance Charges	0.35	0.04
<b>Total</b>	<b>9.18</b>	<b>6.01</b>

## 31. Other Expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Education, Training Expenses and Course Materials	179.94	161.36
Course Execution Charges	3,959.73	4,410.90
Advertisement Expenses	947.75	949.24
Electricity Charges	108.78	98.64
Rental Charges (Refer Note 41.2)	390.87	352.59
Repairs and Maintenance		
Plant and Machinery	12.93	19.16
Buildings	9.93	4.90
Others	57.46	88.52
Travelling and Conveyance	638.07	608.46
Communication Expenses	166.03	194.89
Rates and Taxes	20.68	29.29
Insurance	17.66	17.02
Safety And Security	209.38	184.43
Legal and Professional Fees	321.92	282.76
Loss on Exchange Fluctuation (Net)	-	13.59
Printing and Stationery	29.97	65.07
Director's Commission	11.50	16.00
Director's Sitting Fees	12.60	15.20
Payment to Auditors		
Statutory Audit	16.06	14.80
Tax Audit	5.45	5.50
Limited Review	6.00	6.00
Certification		
Tax Advisory	-	0.62
Company Law Matters	-	0.20
Other Services	1.33	0.78
Out of Pocket Expense	1.16	2.38

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Corporate Social Responsibility Expenditure (Refer Note 31.1)	19.89	33.78
GST/Service Tax Expenses	160.95	152.91
Bad Debts Written off	0.14	165.69
Allowance for Expected Credit Loss (Net)		
Bad Debts Written off	813.36	77.95
Allowance for Expected Credit Loss	732.35	372.94
Less : Provision for ECL no longer required	(650.94)	-
	894.77	450.89
Miscellaneous Expenses	99.99	89.86
<b>Total</b>	<b>8,300.94</b>	<b>8,435.43</b>

### 31.1 Corporate Social Responsibility Expenditure (CSR)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
A. Gross amount required to be spent by the Company	29.45	35.82
B. Amount spent and paid on CSR activities included in the Statement of Profit and Loss for the year		
For Any Other purpose	19.89	33.78

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.

### 32. Exceptional Item

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit on Sale of Property, Plant and Equipment	-	1,556.15
<b>Total</b>	-	<b>1,556.15</b>

32.1 For the year ended March 31, 2018 Exceptional items pertain to Profit on sale of Immovable properties of ₹ 1,742.38 lakhs and expenses/ loss of ₹ 186.23 lakhs in connection therewith, resulting in net gain of ₹ 1,556.15 lakhs.

### 33. Taxation

#### a. Income Tax Expense

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income Tax Expense Charged/(Credited) to :</b>		
<b>Profit and Loss Account</b>		
Current Tax Expenses	198.64	541.47
Deferred Tax Expenses	(19.67)	(167.25)
<b>Sub-total</b>	<b>178.97</b>	<b>374.22</b>

#### Other Comprehensive Income

Items that will not be reclassified to Profit and Loss		
Current Tax Expenses		
Loss on Remeasurement of Defined Benefit Plan	(7.81)	(14.47)
<b>Sub-total</b>	<b>(7.81)</b>	<b>(14.47)</b>
<b>Total</b>	<b>171.16</b>	<b>359.75</b>

**b. Reconciliation of tax expense and accounting profit multiplied by tax rate applicable in India :**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit from Operations Before Income Tax Expense	698.80	2,279.99
Corporate Tax Rate as per Income Tax Act, 1961	27.82%	34.61%
<b>Tax on Accounting profit</b>	<b>194.41</b>	<b>789.06</b>
<b>Tax on Income Exempt From Tax:</b>		
Preference Dividend Income	(39.82)	(47.92)
<b>Tax on Expenses not Tax Deductible:</b>		
CSR Expenses	5.53	11.69
Expenses in Relation To Exempt Income	1.34	1.68
Other Items	0.09	1.15
Income subject to different tax rates		
Excess of Accounting Profit over Taxable Profits for Capital Gains	-	(93.51)
Effect of different tax rate on Deferred Tax	41.22	(2.69)
Temporary difference for which no Deferred Tax income was recognised	(13.74)	-
Effect of previously unrecognised Unabsorbed Depreciation and Losses used to reduce Tax Expense	-	(684.49)
Entitlement of Unrecognised MAT Credit arising in the Current year	-	401.59
Tax effect of profit of current year on which no deferred tax is recognised	-	(6.09)
Difference on account of special Tax Rate	(10.06)	-
Excess Provision	-	3.75
<b>Income tax expense</b>	<b>178.97</b>	<b>374.22</b>
<b>Effective tax rate</b>	<b>25.61%</b>	<b>16.41%</b>

**c. Deferred Tax Asset (Net)**

The balance comprises temporary differences attributable to :

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Asset:</b>		
Leave Encashment	61.27	69.44
MAT credit entitlement (Net)	1,290.33	1,354.83
	<b>1,351.60</b>	<b>1,424.27</b>
Other Items		
Allowance for Expected Credit Loss on Trade Receivables	252.86	275.01
	<b>252.86</b>	<b>275.01</b>
<b>Total Deferred Tax Assets</b>	<b>1604.46</b>	<b>1,699.28</b>
<b>Deferred Tax Liability:</b>		
Property, Plant and Equipment and Other Intangible Assets	(6.72)	43.26
<b>Total Deferred Tax Liabilities</b>	<b>(6.72)</b>	<b>43.26</b>
<b>Net Deferred Tax Assets</b>	<b>1611.18</b>	<b>1,656.02</b>

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### Movement in Deferred Tax Assets

(₹ 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, 2017</b>	-	-	<b>1,354.83</b>	<b>133.93</b>	<b>1,488.76</b>
(Charged)/credited :					
To Profit and loss	-	69.44	-	141.08	210.52
To other comprehensive income	-	-	-	-	-
<b>As at March 31, 2018</b>		<b>69.44</b>	<b>1,354.83</b>	<b>275.01</b>	<b>1,699.28</b>
(Charged)/credited :					
To Profit and loss	6.72	(8.17)	(64.50)	(22.15)	(88.08)
To other comprehensive income	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>6.72</b>	<b>61.27</b>	<b>1,290.33</b>	<b>252.86</b>	<b>1,611.18</b>

### Movement in Deferred Tax Liabilities

(₹ in lakhs)

Particulars	Property, Plant and Equipment and Other Intangible Assets	Financial assets at Fair Value through Profit and Loss	Total Deferred Tax Liabilities
<b>As at April 1, 2017</b>	-	-	-
(Charged)/credited :			
To Profit and loss	43.26	-	43.26
To other comprehensive income	-	-	-
<b>As at March 31, 2018</b>	<b>43.26</b>	-	<b>43.26</b>
(Charged)/credited :			
To Profit and loss	-	-	-
To other comprehensive income	-	-	-
<b>As at March 31, 2019</b>	-	-	-

The Company had paid Minimum Alternate Tax (MAT) under the Indian Income-tax Act, 1961 in earlier years. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised. Accordingly, Aptech Limited has recognised a deferred tax asset of ₹ 1,290.33 lakhs as on March 31, 2019 and has not recognised deferred tax assets in respect of tax credit entitlement amounting to ₹ 2,983.44 lakhs as at March 31, 2019.

The company has not recognised Deferred Tax Assets on Long Term Capital Gains amounting to ₹ 1,146.39 lakhs (Previous Year: ₹ 1,146.34 lakhs), as there is no indication of it's reversal in foreseeable future.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unused MAT Credit Entitlement which expires in		
FY 2024-25	1,290.33	1,354.83
<b>Total</b>	<b>1,290.33</b>	<b>1,354.83</b>

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unused Tax Losses (Long Term Capital Loss) which expires in		
FY 2019-20	1,003.86	1,003.86
FY 2020-21	72.75	72.75
FY 2021-22	69.78	69.78
<b>Total</b>	<b>1,146.39</b>	<b>1,146.39</b>



## 34. Fair value measurement

## Financial Instruments by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	385.63	6,486.09	-	226.57	6,486.09
Debentures and Bonds	-	-	-	750.79	-	-
Preference Shares	-	-	3,922.28	-	-	3,929.13
Trade and Other Receivables	-	-	5,584.74	-	-	5,108.32
Loans	-	-	1,298.27	-	-	1,792.37
Cash and Cash Equivalents	-	-	466.71	-	-	924.98
Other Bank Balances	-	-	2,190.99	-	-	2,912.45
Other Current Financial Assets	-	-	794.83	-	-	758.66
<b>Total Financial Assets</b>	<b>-</b>	<b>385.63</b>	<b>20,743.91</b>	<b>750.79</b>	<b>226.57</b>	<b>21,912.00</b>
<b>Financial Liabilities</b>						
Trade Payables	-	-	1,414.87	-	-	1,380.23
Other Financial Liabilities	-	-	1,083.07	-	-	808.94
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,497.94</b>	<b>-</b>	<b>-</b>	<b>2,189.17</b>

## Fair value hierarchy

## 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 Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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### Financial Assets and Financial Liabilities measured at Fair Value Through

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>							
Bonds and Debentures	-	-	-	-	-	-	-
Equity Instruments	-	-	-	-	-	385.63	<b>385.63</b>
<b>Total</b>	-	-	-	-	-	<b>385.63</b>	<b>385.63</b>
<b>Financial liabilities</b>							
Derivative financial liabilities	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

As at March 31, 2018	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>							
Bonds and Debentures	750.79	-	-	-	-	-	<b>750.79</b>
Equity Instruments	-	-	-	-	-	226.57	<b>226.57</b>
<b>Total</b>	<b>750.79</b>	-	-	-	-	<b>226.57</b>	<b>977.36</b>
<b>Financial liabilities</b>							
Derivative financial liabilities	-	-	-	-	-	-	-
<b>Total</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.

#### 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	Investments in equity instruments	
	Syntea Polland	
Opening balance as on April 1, 2017	63.99	
Gain/(loss) recognised in Other comprehensive income	162.58	
<b>Closing balance as on March 31, 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>	

Item	Valuation technique	Significant unobservable inputs	As at March 31, 2019		As at March 31, 2018	
			Movement by	₹ in lakhs	Movement by	₹ in lakhs
<b>Investments in Unquoted Equity Instruments</b>						
Synteia Polland	Comparable Companies Multiples Method (CCM) Refer Note 34.1	Revenue multiple	0.11x	29.54	0.10x	19.02

**34.1** 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.

### 35. 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

#### 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:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- 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.

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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.

### 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, 2019, 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.

(in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	EUR	USD	MYR	EUR	USD	MYR
<b>Financial assets</b>						
Trade receivables	-	17.49	-	-	20.06	-
<b>Net exposure to foreign currency risk (assets)</b>	-	<b>17.49</b>	-	-	<b>20.06</b>	-
<b>Financial liabilities</b>						
Trade payables		0.02			0.32	
<b>Net exposure to foreign currency risk (liabilities)</b>	-	<b>0.02</b>	-	-	<b>0.32</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, 2019	Year ended March 31, 2018
USD Sensitivity		
Increase by 5%	10-11 %	2.5-2.75 %
Decrease by 5%	10-11 %	2.5-2.75 %

**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 units of 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 .

**36. 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.

**37. 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 segments 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, 2019.

**Segment Information**

(₹ in lakhs)

Particulars	Year ended March 31, 2019 Operating Segments				Year ended March 31, 2018 Operating Segments			
	Retail	Institutional	Unallocable	Total	Retail	Institutional	Unallocable	Total
Revenue								
Income from Segment	8,945.45	5,132.57	-	14,078.02	9,052.58	6,861.39	-	15,913.97
Results before Interest, Tax and Exceptional Items	4,035.91	(1,297.92)	(2,160.38)	577.61	3,412.65	904.03	(3,785.50)	531.18
Add: Interest income	-	0.02	130.35	130.37	-	-	198.67	198.67
Less: Interest Expenses and Finance Costs	0.05	-	9.13	9.18	0.04	-	5.97	6.01
<b>Profit/(Loss) before Tax and Exceptional Items</b>	<b>4,035.86</b>	<b>(1,297.90)</b>	<b>(2,039.16)</b>	<b>698.80</b>	<b>3,412.61</b>	<b>904.03</b>	<b>(3,592.80)</b>	<b>723.84</b>
<b>Exceptional Items</b>								
Profit on Sale of Property, Plant and Equipment	-	-	-	-	-	-	1,556.15	1,556.15
<b>Profit / (Loss) before Tax</b>	<b>4,035.86</b>	<b>(1,297.90)</b>	<b>(2,039.16)</b>	<b>698.80</b>	<b>3,412.61</b>	<b>904.03</b>	<b>(2,036.65)</b>	<b>2,279.99</b>
Add /(Less) : Current Tax	-	-	198.64	198.64	-	-	541.47	541.47
: Deferred Tax	-	-	(19.67)	(19.67)	-	-	(167.25)	(167.25)
<b>Profit / (Loss) after Tax</b>	<b>4,035.86</b>	<b>(1,297.90)</b>	<b>(2,218.13)</b>	<b>519.83</b>	<b>3,412.61</b>	<b>904.03</b>	<b>(2,410.87)</b>	<b>1,905.77</b>

Particulars	Year ended March 31, 2019 Operating Segments				Year ended March 31, 2018 Operating Segments			
	Retail	Institutional	Unallocable	Total	Retail	Institutional	Unallocable	Total
<b>Other Information</b>								
Carrying amount of Segment Assets	2,902.00	4,661.15	18,660.99	26,224.14	3,238.06	3,918.83	20,276.40	27,433.29
Carrying amount of Segment Liabilities	899.96	1,321.18	935.61	3,156.75	916.84	1,182.41	935.39	3,034.64
Cost incurred to acquire Segment Property, Plant and Equipment and Other Intangible Assets during the year (net of intercompany)	285.58	136.00	275.74	697.32	296.69	255.94	26.17	578.80
Depreciation / Amortisation	347.28	141.94	210.42	699.64	421.63	106.33	223.08	751.04
Significant Non-Cash Expenses	216.70	678.07	(352.04)	542.73	337.71	277.30	1,333.76	1,948.77

**Geographical**

Particulars	As at March 31, 2019			As at March 31, 2018		
	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	11,811.82	25,014.58	697.32	13,878.00	26,128.58	578.80
Outside India	2,266.20	1,209.56	-	2,035.97	1,304.71	-
<b>Total</b>	<b>14,078.02</b>	<b>26,224.14</b>	<b>697.32</b>	<b>15,913.97</b>	<b>27,433.29</b>	<b>578.80</b>

- A. Revenue of approximately INR 2,006.53 lakhs (Previous Year : ₹ NIL) are derived from single external customer, which exceed ten percent of the Company's total revenue under Institutional segment.
- B. The Company's 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 and 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.

**38. Related Party Disclosures****a. List of Related Parties :**

<b>Companies where control exists</b>	
<b>Subsidiaries</b>	Aptech Training Limited FZE Dubai
	Maya Entertainment Limited
	Attest Testing Services Limited
	AGLSM SDN BHD, MALAYSIA
	Aptech Ventures Ltd, Mauritius
<b>Step Down Subsidiaries</b>	Star International Training and Consultancy Pvt. Ltd. (W.e.f December 23, 2016) (Erstwhile Aptech Global Investment Ltd.) (Subsidiary of Aptech Training Limited FZE, Dubai)
	Aptech Investments Enhancers Ltd, Mauritius (Subsidiary of Aptech Ventures)
<b>Others</b>	Asian Institute of Communication and Research (AICAR) (upto August 1, 2017)
<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
	Mr. Rakesh Jhunjhunwala - Chairman
	Mr. Vijay Aggrawal
	Mr. Asit Koticha
	Mr. Madhu Jayakumar
<b>Non - Executive Directors</b>	Mr. Nikhil Dalal
	Mr. Ninad Karpe
	Mr. Rajiv Agarwal
	Mr. Ramesh S. Damani
	Mr. Utpal Sheth
	Mr. C.Y. Pal ( upto February 7, 2018)

**b. Key Management Personnel Compensation (Refer Note 28.2)**

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Managing Director and CEO	249.81	270.07
Whole Time Director	145.83	150.17
Executive Vice President and CFO	114.58	109.86
Company Secretary	38.88	38.01
<b>Total</b>	<b>549.10</b>	<b>568.11</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

**c. Transactions with Related Parties**

The following transactions occurred with related parties during the year:

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
Services Received from Subsidiary	2.03	10.15
Services Rendered to Subsidiary (Including Foreign)	835.31	867.36
Pool expenses for Subsidiary	2,104.92	1,498.60
Advance to Asian Institute of Communication and Research ("AICAR")	-	77.15
Dividend paid		
Key Managerial Personnel	0.21	0.06
Promoters Group/ Directors/ Close Relatives of Directors	672.79	580.01

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Commission		
Non-executive Directors	11.50	16.00
Siting fees		
Non-executive Directors	12.60	15.20
Service Received from Other Related Parties		
Mr. Ninad Karpe	32.50	12.79
Airpay Payment Services Private Limited (Entity Controlled / Significantly Influenced by Close Relatives of Promoter)	1.43	1.08
Loans to Key Managerial Personnel		
Mr. Anuj Kacker	(5.27)	(4.77)

### d. Loans and Advances to Related Parties :

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Name of the Company</b>		
Attest Testing Services Limited	913.25	1,150.55
Maya Entertainment Limited	17.61	214.26
Aptech Venture Limited	5.41	5.41
<b>Name of Key Managerial Personnel</b>		
Mr. Anuj Kacker	25.84	31.11
<b>Others</b>		
Asian Institute of Communicaton and Research (AICAR)	-	-

### e. 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	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Trade payables</b> (for purchase of goods and services)		
Fellow Subsidiaries	2.92	2.92
<b>Trade receivables</b> (for sale of goods and services)		
Fellow Subsidiaries	834.09	1,074.53

All outstanding balances are unsecured and are repayable through bank.

### 39. Contingent Liabilities and Contingent Assets

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Claims against the company not acknowledged as Debt (Refer Note 39.1)	61.11	101.63
Counter Guarantees with Bank for Projects	407.13	1,109.33
	<b>468.24</b>	<b>1,210.96</b>



- 39.1** Claims not acknowledged as debts with respect to the Company's pending litigations comprise of claims against the Company primarily by the Civil and 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.
- 39.2** Guarantees issued with bank are for the projects that are being executed.
- 39.3** The amount assessed as Contingent Liability donot include interest that could be claimed by counter parties.

#### 40. Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	72.41	122.11
<b>Total</b>	<b>72.41</b>	<b>122.11</b>

#### 41. Leases

##### 41.1 Non-Cancellable Operating Leases

Particulars	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	69.73	126.84
Later than 1 year but not later than 5 years	29.70	85.69
Later than 5 year	-	-
<b>Total</b>	<b>99.43</b>	<b>212.53</b>

##### 41.2 Rental expense relating to Operating Leases

Particulars	(₹ in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	390.87	352.59
<b>Total rental expense relating to Operating Leases</b>	<b>390.87</b>	<b>352.59</b>

## APTECH LIMITED

### General Description of leasing arrangements:

- i. Leased Assets: Offices
- ii. Future Lease rentals are determined on the basis of agreed terms.
- iii. At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- iv. Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

### 42. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2019	As at March 31, 2018
A. Basic Earnings Per Share		
i. Net Profit attributable to Equity Shareholders (₹ in lakhs)	519.83	1,905.77
ii. Weighted average number of Equity Shares Outstanding (Nos.)	3,98,93,560	39,893,560
<b>Basic EPS (₹) (i)/(ii)</b>	<b>1.30</b>	<b>4.78</b>
B. Diluted Earnings Per Share		
i. Weighted average number of Equity Shares Outstanding (Nos.)	39,893,560	39,893,560
ii. Add: Potential Equity Shares on exercise of ESOPs (Nos.)	9,67,692	1,852,052
iii. Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS (i+ii)	40,861,252	41,745,612
<b>Diluted EPS (₹) {(A) (i) / (B) (iii)}</b>	<b>1.27</b>	<b>4.57</b>

### 43. Foreign Currency Exposure which are not hedged

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Trade Receivables	1,209.56	1,304.70
<b>Total</b>	<b>1,209.56</b>	<b>1,304.70</b>

44. The figures for the previous year has been regrouped/ rearranged/ reclassified wherever necessary to correspond with figures of current year.

Salient features of Financial Statement of Subsidiary/ Associate/ Joint Ventures as per Companies Act, 2013 (Form AOC-1)

(₹ in lakhs)

Particulars	Maya Entertainment Limited	Attest Testing Service 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	2,764.21	8.28	105.45	66.61	209.46	209.46	362.70	3,726.19	1.68
Preference capital								3,816.52	
Reserves	(1,071.46)	468.06	(46.43)	(62.14)	1,908.26	1,908.26	(386.05)	7,573.81	
Total Assets (exclude investments)	2,939.69	1,781.77	183.56	1,267.78	0.62	0.62	7.80	6,181.82	7.06
Total Liabilities (excluding capital and reserves)	1,249.59	1,305.43	33.82	1,139.31	22.11	21.04	31.82	3,803.12	5.38
Investment other than Investment in subsidiary	2.65	-	0.28	0.28	10,813.21		0.67	10,816.81	
Income	6,567.10	1,970.18	216.07	1,107.36	-	-	0.32	9,861.03	
Profit / (loss) before tax	1,337.29	292.49	(10.57)	12.61	(2.37)	(2.36)	(7.03)	1,620.07	-
Provision for taxation	160.63	80.20	0.13	-	-	-	-	240.96	
Exceptional items								-	
Profit after tax	1,176.66	212.29	(10.71)	12.61	(2.37)	(2.36)	(7.03)	1,379.10	-
Interim dividend	-	-	78.44	-	-	-	-	78.44	
Reporting currency (other than ₹)			MYR	USD (\$)	Euro	Euro	Euro		Peso
Closing rate			16.94	69.17	77.70	77.70	77.70		1.31
% of Shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00		40.00
Country	INDIA	INDIA	MALAYSIA	DUBAI	MAURITIUS	MAURITIUS	MAURITIUS		PHILIPPINES

The Annual Accounts for 2018-19 for all the subsidiaries are available at Company's registered office. Any investor either of holding company or any subsidiary company 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 21, 2019

## APTECH LIMITED

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	₹	82.75	23,067.39	29.83	579.66
<b>Subsidiaries</b>					
<b>Indian</b>					
Maya Entertainment Limited	₹	(15.72)	(4,381.56)	59.70	1,159.84
Attest Testing Services Limited	₹	1.69	469.98	10.98	213.34
<b>Foreign</b>					
AGLSM SDN.BHD , Malaysia	MYR	0.17	46.42	(0.55)	(10.75)
Aptech Training Limited FZE	USD	1.52	424.77	0.65	12.61
Aptech Investment Enhancers Limited (Subsidiary of Aptech Ventures Limited )	Euro (€)	31.12	8,675.44	(0.12)	(2.37)
Aptech Ventures Limited	Euro (€)	(0.14)	(40.08)	(0.12)	(2.36)
Star International Training and Consultancy Pvt. Ltd. (W.e.f 23rd dec'2016 (Erstwhile Aptech Global Investment Limited) (Subsidiary of Aptech Training Limited FZE )	Euro (€)	(1.39)	(386.65)	(0.36)	(7.03)
Other Investments					
Aptech Philippines Incorporation	Peso	-	0.67	-	-
<b>Total</b>		<b>100.00</b>	<b>27,876.37</b>	<b>100.00</b>	<b>1,942.95</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 21, 2019

## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of APTECH LIMITED will be held on Monday, 22nd July, 2019 at 4.00 p.m at "Kamalnayan Bajaj Hall", Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021 to transact the 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 31st March 2019, and the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Rajiv Agarwal having DIN: 00379990 who retires by rotation and is eligible for reappointment.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:  

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Madhu Jayakumar (DIN: 00016921), who was appointed as an Independent Director and who holds office of Independent Director up to 23<sup>rd</sup> September 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f 24<sup>th</sup> September, 2019."
4. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:  

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act as amended from time to time, consent of the Company be and is hereby accorded for payment of remuneration made to Mr. Anil Pant of Rs. 2,49,81,016/- during the financial year ended 31st March 2019 and to waive recovery of remuneration paid to Mr. Pant in excess of the limits prescribed under the provisions of the Act read with Schedule V of the Act of Rs. 9,81,016/- for the said financial year."

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**  

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representatives to attend and vote on their behalf in the meeting.
5. Details under SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
6. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
7. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website [www.aptech-worldwide.com](http://www.aptech-worldwide.com) for their download.
8. Members/Proxies should bring the Attendance Slip, duly filled in for attending the meeting and are also requested to bring their copies of the Annual Report.
9. Those Members who have so far not encashed their dividend warrants in respect of the dividend declared for the period/year ended 31<sup>st</sup> March 2012 (final), 31<sup>st</sup> March 2013 (interim) 31<sup>st</sup> March 2013 (final), 31<sup>st</sup> March 2014 (two interims), 31<sup>st</sup> March 2015 (two interim), 31<sup>st</sup> March, 2016 (interim) 31<sup>st</sup> March, 2017 (interim) and 31st March 2018 (interim) may approach the Company or Registrar and Share Transfer Agents for the payment thereof.

**10. Voting through electronic means**

The Companies Act, 2013 has prescribed the provisions of voting through electronic means. In Compliance with provisions of Section 108 of the Companies Act, 2013 and rules thereof and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide Members, facility of electronic voting system to exercise their right to vote on business to be transacted at the 19<sup>th</sup> Annual General Meeting (AGM) of the Company by electronic means through Karvy Fintech Private Limited (Karvy).

The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their voting right at the meeting. Facility of voting through ballot shall also be made available at the meeting.

- i. The remote e-voting facility will be available during the following period:
  - a) Day, date and time of commencement of remote e-voting: Thursday, 18<sup>th</sup> July, 2019 at 9.00 a.m.
  - b) Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: Sunday 21<sup>st</sup> July, 2019 at 5.00 p.m.
- ii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being 15<sup>th</sup> July, 2019.
- iii. Any person who acquires Shares of the Company and becomes Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date i.e. 15<sup>th</sup> July, 2019, may obtain the User Id and password in the manner as mentioned below:
  - a. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+ Folio No. or DP ID Client ID to 9212993399  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL: MYEPWD <SPACE> 1402345612345678  
Example for Physical: MYEPWD <SPACE> XXXX1234567890
  - b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c. Member may call Karvy's toll free number 1800-3454-001.  
Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
  - d. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
  - e. Details of Website: <https://evoting.karvy.com>
  - f. Details of persons to be contacted for issues relating to e-voting:  
Mr. Anil Dalvi  
Karvy Fintech Private Limited  
Unit : Aptech Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad – 500 032.  
Tel. No.: +91 40 67162222  
Toll Free No.: 18003454001  
Fax No.: +91 40 23001153;  
E-mail: [evoting@karvy.com](mailto:evoting@karvy.com).
  - g. Details of Scrutinizer: Mr. Jay Mehta, Practicing Company Secretary (Membership No. ACS 8672) has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
  - h. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 15<sup>th</sup> July, 2019. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

**iv. The procedure and instructions for remote E-Voting facility are as follows:****(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:**

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach 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.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: [jaymehtaandassociates@gmail.com](mailto:jaymehtaandassociates@gmail.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name, EVENT NO."

**(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/ Depository Participants (s)]:**

- i. E-Voting Event Number, User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

**(C) Voting at AGM**

The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Anil Dalvi of Karvy Fintech Private Limited at 040- 67162222 or at 1800-3454-001 (toll free).

12. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM shall unblock the votes cast by remote E-voting and Insta-Poll, in the presence of at least two(2) witness not in the employment of the Company and will make a Consolidated Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the meeting.
13. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.

## APTECH LIMITED

14. The Results declared along with the Scrutinizer's Report(s) will be available on website of the Company ([www.aptech-worldwide.com](http://www.aptech-worldwide.com)) and on Karvy's website (<https://evoting.karvy.com>). The results shall simultaneously be communicated to Stock Exchanges.

### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.**

#### **Item no 3**

Mrs. Madhu Jayakumar was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement entered with the stock exchanges. She holds office as Independent Director of the Company up to 23<sup>rd</sup> September 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Board of Directors of the Company, on the basis of her performance evaluation, has recommended reappointment of Mrs. Madhu Jayakumar as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

Madhu Jayakumar has been in the financial sector for over 30 years. She serves on multiple boards as an Independent, Non Executive Director.

Mrs. Jayakumar has been on the Board of MCX, Multi Commodity Exchange of India, since 2015, and Member of the Investment Committee and CSR committee. MCX is India's first listed exchange, is a state-of-the-art, commodity derivatives exchange that facilitates online trading of commodity derivatives transactions, thereby providing a platform for price discovery and risk management

She has been actively involved in the NGO sector and is one of the Founder Trustees of Azad Foundation. Azad was set up as an NGO in 2008 to work with underprivileged women

Mrs. Jayakumar holds Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. She graduated in Mathematics Honors from University of Delhi.

Mrs. Jayakumar worked with Citibank for over 12 years in the Investment Bank and Corporate Bank. She was a member of the Managing Committee of Citibank India. She worked in the Corporate Foreign Exchange Team, Money Market Operations and Risk, Cash Management and Transaction Banking Group and was Head, Risk Administration for South Asia. Her last assignment at Citibank was as Divisional Head for EMEA countries for implementation of the Global Six Sigma Quality initiative

She has also worked with the Minerals and Metals Trading Corporation of India (MMTC) for three years in the Counter-trade Business Group and Human Resources Division.

The Board, considers that, given the background and experience and valuable contributions made by her during her tenure, the continued association of Mrs. Madhu Jayakumar would be immensely beneficial to the Company and it is desirable to continue to avail her service as Independent Director. Accordingly, it is proposed to re-appoint Mrs. Madhu Jayakumar as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company upto 23<sup>rd</sup> September, 2024.

Mrs. Madhu Jayakumar is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director. The Company has also received declaration from her that she meets with the criteria of independence. In the opinion of the Board, she fulfils the condition for re-appointment as Independent Director as specified in the Act and the Listing Regulations.

Mrs. Madhu Jayakumar is interested in the resolution set out respectively at Item No. 3 of the Notice with regard to her re-appointment. Other than her, no other Director, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Regulation 26(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Item no. 4**

Even though the Company earned net profits on standalone basis as well as on consolidated basis in the year 2018-19, the remuneration paid to Mr. Anil Pant exceeded the prescribed remuneration laid down in Schedule V of the Companies Act, 2013. Consent of the shareholders is being sought for remuneration paid to Mr. Anil Pant during the financial year 2018-19 and to waive recovery of excess remuneration paid to him as computed under the provisions of Schedule V of the Act for the Financial Year 2018-19.

Taking into account the outstanding performance and dedication of Mr. Anil Pant, who has justified the position assigned to him, the Board of Directors of your Company has approved waiver of recovery of excess remuneration paid to him during 2018-19. The Board therefore recommends the resolution for approval of the shareholders.

Mr. Anil Pant is interested in the Resolution mentioned at Item No. 4 of the Notice. Other than Mr. Pant, no other Director, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.



**Details of directors seeking appointment required under Regulation 36 of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirement) Regulations, 2015**

<b>Particulars</b>	<b>Mr. Rajiv Agarwal</b>	<b>Mrs. Madhu Jayakumar</b>
Date of Birth	28th March, 1971	19th August, 1963
Date of Appointment	29th October, 2006	24th September, 2014
Qualification	Bachelor's degree in Chemical Engineering	BA (Arts) with Maths honours MBA from IIM Ahmedabad
Nature of his expertise in specific functional areas	Strategy & Operations Consulting Services	Banking, risk management, process engineering & redesign
Relationship inter-se with other directors/ key managerial personnel	-	-
Directorship in other listed Indian companies	-	Multi Commodity Exchange Of India Limited
Chairman/Member of any committee of the board of directors of any other listed Indian Company	-	Member of Corporate Social Responsibility committee of Multi Commodity Exchange Of India Limited.
Shareholding, if any in the Company	58100	NIL

**By Order of the Board of Directors**

Sd/-  
Ketan H. Shah  
Company Secretary

**Place:** Mumbai

**Date:** 24th June, 2019

Route Map from Churchgate Station:





APTECH LIMITED

## Aptech Limited

Registered Office: Aptech House, A -65, M.I.D.C., Marol, Andheri (E), Mumbai – 400093.

Tel.: 022 68282386 • Fax: 91 226828 2399 • CIN –L72900MH2000PLC123841

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

### Attendance Slip

Name of the Member(s) :
Registered address :
E-mail Id :
Folio No./Client ID No:
DP ID :

I confirm that I am a member/proxy for a member of the Company.

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of APTECH LIMITED will be held on Monday , 22nd July, 2019 at "Kamalnayan Bajaj Hall", Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021 at 4.00 p.m.

\_\_\_\_\_  
Name of the Member/Proxy

\_\_\_\_\_  
Signature of attending Member/Proxy holder(s)

\*Applicable for Investors holding shares in electronic form.

NOTE: Members attending the meeting in person or by proxy are requested to complete this attendance slip and handed over at the entrance of the Meeting Hall.





## Aptech Limited

Registered Office: Aptech House, A -65, M.I.D.C., Marol, Andheri (E), Mumbai – 400093.

Tel.: 022 68282386 • Fax: 91 226828 2399 • CIN –L72900MH2000PLC123841

• Website: www.aptech-worldwide.com

### PROXY FORM

Name of the Member(s) :
Registered address :
E-mail Id :
Folio No./Client ID No:
DP ID :

I/We, being the member(s) of \_\_\_\_\_ Shares of Aptech Limited, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_ Signature : \_\_\_\_\_  
or failing him
2. Name: \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_ Signature : \_\_\_\_\_  
or failing him
3. Name: \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address: \_\_\_\_\_ Signature : \_\_\_\_\_  
or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the the 19<sup>th</sup> Annual General Meeting of APTECH LIMITED will be held on Monday , 22nd July, 2019 at “Kamalnayan Bajaj Hall”, Bajaj Bhawan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021 at 4.00 p.m and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Accounts, Directors Report and Auditors Report for FY 2018-19.
2. Re-appointment of Mr. Rajiv Agarwal as Director retiring by rotation.
3. Re-appointment of Mrs. Madhu Jayakumar as an Independent Director.
4. Waiver of excess remuneration paid to Mr. Anil Pant for FY 2018-19

Signature(s) of Member(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

NOTE: The Proxy, in order to be effective, must be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.













**Disclaimer :** In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risk, uncertainties and ever inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.



# BOOK-POST

*If undelivered please return to :*

M/s. Karvy Fintech Private Limited  
Karvy Selenium, Tower B, Plot 31-321, Gachi-bowli,  
Financial District, Hyderabad - 500 032.  
Tel.No.: +91 40 6716 2222