S K AGRAWAL & CO
Chartered Accountants
Firm Registration No. 306033E

SUITE NOS : 606-608
THE CHAMBERS, OPP. GITANJALI STADIUM
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INDEPENDENT AUDITOR'S REPORT

To the Members of **SOUTH CITY INTERNATIONAL SCHOOL**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **SOUTH CITY INTERNATIONAL SCHOOL**("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Income and Expenditure (including other comprehensive income), statement of changes in equity and statement of cash flow for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013(SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 financial statements.

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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other

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accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act,2013,we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

- continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

S. K. AGRAWAL & CO. Chartered Accountants Kolkata based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make 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 financial statements.

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

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

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Income and Expenditure including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the accompanying financial statements comply with the Accounting Standards 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 as on 31stMarch, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations on its Financial Position which would impact its financial position;

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ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii) There is no such sum which needs to be transferred, to the Investor Education and Protection Fund by the Company.

For **S K AGRAWAL AND CO**
Chartered Accountants
Firm's Registration No.306033E

J.K. Choudhury
Partner
(Membership No. 009367)

Place: Kolkata
Dated: 24th June 2019

S. K. AGRAWAL & CO. Kolkata Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SOUTH CITY INTERNATIONAL SCHOOL**("the Company") as of March 31, 2019 to the extent of records available with us in conjunction with our audit of the financial statements of the Company as of and for the year ended 31st March, 2019.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

S. K. AGRAWAL & CO. Kolkata Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essentials components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S K AGRAWAL AND CO**
Chartered Accountants
(Firm Registration No.306033E)

J.K. Choudhury
Partner
(Membership No. 009367)

Place: Kolkata
Dated: 24th June 2019

S. K. AGRAWAL & CO. Kolkata Chartered Accountants

SOUTH CITY INTERNATIONAL SCHOOL
BALANCE SHEET AS AT MARCH 31, 2019

	Notes	As at 31-Mar-2019	As at 31-Mar-2018
			Amount in ₹
ASSETS :			
Non-Current assets			
Property Plant and Equipment	2.1	29,54,96,522	31,26,85,889
Intangible Assets	2.1	12,679	18,892
Financial Assets			
(a) Loans	2.2	20,000	20,000
(b) Other Financial Assets	2.3	2,95,59,143	2,90,54,632
		32,50,88,344	**34,17,79,413**
Current Assets			
Financial Assets			
(a) Trade Receivables	2.4	23,51,997	4,51,600
(b) Cash and Cash Equivalents	2.5	41,03,587	31,37,381
(c) Other Financial Assets	2.3	-	42,500
Other Current Assets	2.6	26,01,445	20,24,924
		90,57,029	**56,56,405**
Total Assets		**33,41,45,373**	**34,74,35,818**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.7	3,00,000	3,00,000
Other Equity	2.8	(24,87,455)	(3,23,04,877)
Total Equity		**(21,87,455)**	**(3,20,04,877)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings	2.9	17,11,83,202	25,17,92,971
Provisions	2.10	1,04,24,480	65,88,356
		18,16,07,682	**25,83,81,327**
Current Liabilities			
Financial Liabilities			
(a) Borrowings	2.9	2,23,04,124	1,99,85,017
(b) Trade payables	2.11		
- Total outstanding dues of Micro & Small Enterprises		-	-
- Total outstanding dues of creditors other than Micro & Small Enterprises		8,41,174	7,48,630
(c) Other Financial Liabilities	2.12	9,10,45,578	6,31,38,932
Other Current Liabilities	2.13	4,00,28,133	3,66,17,277
Provisions	2.10	5,06,137	5,69,512
		15,47,25,146	**12,10,59,368**
Total Liabilities		**33,63,32,828**	**37,94,40,694**
Total Equity and Liablities		**33,41,45,373**	**34,74,35,818**

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.
As per our report on even date

For S. K AGRAWAL AND CO
Chartered Accountants
Firm Registration No : 306033E

J.K. Choudhury
Partner
M.No.009367
Place: Kolkata
Dated:
2 4 JUN 2019

S K AGRAWAL AND CO. KOLKATA Chartered Accountants

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2019

Amount in ₹

	Notes	2018-19	2017-18
Revenue From Operations	2.14	17,14,54,501	15,36,68,736
Other Income	2.15	24,97,369	25,45,986
Total Income		**17,39,51,870**	**15,62,14,722**
Expenses			
Employee Benefits Expense	2.16	6,36,92,292	5,82,31,091
Finance Costs	2.17	2,35,43,320	2,99,64,762
Depreciation and Amortisation Expenses	2.18	1,96,12,926	2,41,15,871
Other Expenses	2.19	3,58,52,059	4,54,18,801
Total Expenses		**14,27,00,598**	**15,77,30,525**
Surplus/(Deficit) before tax		**3,12,51,272**	**(15,15,803)**
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
		-	-
Surplus/(Deficit) for the year (I)		**3,12,51,272**	**(15,15,803)**
Other Comprehensive income:			
Other comprehensive income not to be reclassified to Surplus/(Deficit) in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations		(14,33,851)	(10,62,324)
Income tax effect thereof		-	-
Other comprehensive income/(loss) for the year, net of tax (II)		**(14,33,851)**	**(10,62,324)**
Total comprehensive income for the year, net of tax (I + II)		**2,98,17,421**	**(25,78,127)**
Earnings per Equity Share of Rs. 10 each			
Basic & Diluted	2.20	1,041.71	(50.53)

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

As per our report on even date

For S. K AGRAWAL AND CO
Chartered Accountants
Firm Registration No : 306033E

J.K. Choudhury
Partner
M.No.009367
Place: Kolkata
Dated:
2 4 JUN 2019

S. K AGRAWAL AND CO. KOLKATA Chartered Accountants

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
Statement of Changes in Equity for the year ended 31 March 2019

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of shares	Amount in ₹
As at 1 April 2018	30,000	3,00,000
Change of share capital	-	-
At 31 March 2019	**30,000**	**3,00,000**

b. Other equity

For the year ended 31 March, 2018

Amount in ₹

Particulars	Retained Earnings	Items of OCI FVTOCI Reserve	Total Equity
As at 1st April 2017	(2,86,80,545)	(10,46,205)	(2,97,26,750)
Surplus/(Deficit) for the year	(15,15,803)	-	(15,15,803)
Other comprehensive income for the year	-	(10,62,324)	(10,62,324)
Total Comprehensive Income for the year	**(15,15,803)**	**(10,62,324)**	(25,78,127)
As at 31 March 2018	**(3,01,96,348)**	**(21,08,529)**	**(3,23,04,877)**

For the year ended 31 March 2019

Amount in ₹

Particulars	Retained Earnings	Items of OCI FVTOCI Reserve	Total Equity
As at 1 April 2018	(3,01,96,348)	(21,08,529)	(3,23,04,877)
Surplus/(Deficit) for the year	3,12,51,272	-	3,12,51,272
Other comprehensive income for the year	-	(14,33,851)	(14,33,851)
Total Comprehensive Income for the year	**3,12,51,272**	**(14,33,851)**	**2,98,17,421**
As at 31 March 2019	**10,54,925**	**(35,42,380)**	**(24,87,455)**

As per our report on even date

For S. K AGRAWAL AND CO
Chartered Accountants
Firm Registration No.: 306033E

J.K. Choudhury
Partner
M.No.009367
Place: Kolkata
Dated:
2 4 JUN 2019

S K AGRAWAL AND CO. ★ KOLKATA ★ Chartered Accountants

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

Amount in ₹

Pariculars	March 31,2019	March 31,2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Surplus/(Deficit) before tax	3,12,51,272	(15,15,803)
Adjustment to reconcile surplus/(deficit) before tax to net cash flow		
Depreciation & Amortisation expense	1,95,71,428	2,41,15,871
Finance costs	2,35,43,320	2,99,64,762
Provision for Gratuity	(14,33,851)	(10,62,324)
Profit on sale of Property, Plant & Equipment	3,249	-
Interest Income	(18,60,874)	(20,86,074)
Operating surplus/(deficit) before working capital changes	**7,10,74,545**	**4,94,16,432**
Adjustments for-		
Increase in trade receivables	(19,00,397)	(3,88,500)
Increase/(decrease) in other current and non current assets	(5,34,021)	5,81,994
Increase/(decrease) in provisions	38,36,124	16,59,955
Increase/(decrease) in other current and non current liabilities	3,13,46,672	60,74,271
Cash generated in operations	**10,38,22,922**	**5,73,44,152**
Less : Income Tax Paid (net of refund)	-	-
Net Cash inflow from Operating Activities	**10,38,22,922**	**5,73,44,152**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	18,60,874	20,86,074
	18,60,874	**20,86,074**
Less : Purchase of Property, Plant & Equipment	23,79,097	74,92,587
Investments in Fixed Deposits	5,04,512	4,42,770
Net cash flow from Investing Activities	**(10,22,735)**	**(58,49,283)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Borrowings	(8,06,09,769)	(1,93,89,306)
Interest paid	(2,35,43,320)	(2,99,64,762)
Net cash flow from Financing Activities	**(10,41,53,089)**	**(4,93,54,068)**
Net decrease in cash and cash equivalents (A+B+C)	(13,52,902)	21,40,801
Cash and Cash Equivalents at the beginning of the year (Refer note-2.5 and 2.8)	(1,68,47,636)	(1,89,88,437)
Cash and Cash Equivalents at the end of the year (Refer note-2.5 and 2.8)	(1,82,00,538)	(1,68,47,636)
	(1,82,00,538)	**(1,68,47,636)**

In terms of our attached report of even date

For S. K AGRAWAL AND CO
Chartered Accountants
Firm Registration No : 306033E

J.K. Choudhury
Partner
M.No.009367
Place: Kolkata
Dated:

2 4 JUN 2019

S K AGRAWAL AND CO. KOLKATA Chartered Accountants

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
Director

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

1.1 Corporate Information

South City International School (referred to as "the Company") is a Private Limited Company established in 2005 under the Companies Act applicable in India. The Company is engaged in providing exclusively educational services by way of pre-school education and education upto higher secondary school or equivalent. The Company is domiciled in India and has its registered office at 375, Prince Anwar Shah Road, Jadavpur, Kolkata – 700068.

1.2 Basis of Preparation of financial statements

a) Compliance with INDAS

These financial statements for the year ended 31st March 2019 are financial statements which the Company has prepared in accordance with Indian Accounting Standards ("Ind AS") including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

b) Historical Cost Convention

The financial statements have been prepared on going concern basis in accordance with the accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis, except for certain assets and liabilities which have been measured at fair values as explained in relevant accounting principles.

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

1.3 Summary of Significant Accounting Policies

1.3.1 Operating Cycle

Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of classification of assets and liabilities into current and non-current. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

1.3.2 Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

S K AGRAWAL AND CO. ★ KOLKATA ★ Chartered Accountants

The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in by the Company at spot rates at the functional currency spot rate (i.e. INR) at the date the transaction first qualifies for recognition.Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction. Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Income and Expenditure.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

1.3.3 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

S K AGRAWAL AND CO. KOLKATA Chartered Accountants

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.3.4 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The areas involving critical estimates or judgements are:-

i) Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized.
ii) Determination of the estimated useful life of intangible assets.
iii) Recognition and measurement of defined benefit obligation, key actuarial assumptions.
iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
v) Fair value of financial instrument.

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1.3.5 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term highly liquid investments with original maturities less than three months, which are readily convertible into cash and which are subject to an insignificant risk of changes in value.
For the purpose of statement of cash flows; cash and cash equivalent, cash and short term deposits as defined above is net off outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

1.3.6 Property, Plant and Equipment

Property, plant and equipment is carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on reducing balance method over the useful lives of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, except Library books which are depreciated on Straight Line Method over a period of two years, Sports Equipments and Lab Equipments which are fully depreciated in the year of purchase respectively.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.3.7 Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life of three years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding eligible development costs, are not capitalized and are charged to Statement of Income and Expenditure for the year during which such expenditure is incurred.

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1.3.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
An impairment loss, if any ,is recognised in the Statement of Income and Expenditure in the period in which the impairment takes place. The Impairment loss is allocated first to reduce the carrying amount of any goodwill (if any)allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

1.3.9 Revenue and Other Income

Income and expenditure are recognized on accrual basis.

Interest Income
Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other Income' in the Statement of Income and Expenditure.

1.3.10 Employee Benefits

I. Defined Contribution Plan

a. Provident Fund
Contributions in respect of all Employees are made to the Regional Provident Fund as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to the Statement of Income and Expenditure as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional Provident fund.

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II. Defined Benefit Plan

a. Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Current Service cost and Interest component on the Company's defined benefit plan is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

1.3.11 Taxes on Income

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Income and Expenditure, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

1.3.12 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Income and Expenditure.

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

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

1.3.13 Borrowing Costs

Borrowing Costs include interest; amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is

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added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Income and Expenditure during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

1.3.14 Earnings per Share

Basic Earnings per Share is calculated by dividing the surplus/(deficit) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the surplus/(deficit) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

1.3.15 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.

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through income and expenditure, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

a. Debt instruments at amortised cost
b. Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost other than derivative contracts

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Income and Expenditure. The losses arising from impairment are recognised in the Income and Expenditure. This category generally applies to trade and other receivables.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL 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 entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Income and Expenditure(P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, investment in subsidiaries and joint ventures, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contractsand derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Income and Expenditure

Financial liabilities at fair value through Income and Expenditure include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Income and Expenditure. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income and Expenditure.

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Financial liabilities designated upon initial recognition at fair value through Income and Expenditure are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of Income and Expenditure.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of Income and Expenditure when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Income and Expenditure.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effectiveinterest method, less allowance for doubtful debts.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year. The amounts are generally unsecured. Trade and other payables are presented as current liabilities unless payment is notdue within the Company's operating cycle. They are recognised initially at their fair value and subsequently measured atamortised cost using the effective interest method.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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De-recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.3.16 Operating Segments

The company is engaged in a single business segment i.e. running of School.

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SOUTH CITY INTERNATIONAL SCHOOL

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

Note 2.1 - Property Plant and Equipment (Current Year)

Amount in ₹

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land	5,42,27,485	-	-	5,42,27,485	-	-	-	-	**5,42,27,485**	5,42,27,485
Buildings	27,40,58,563	13,63,583	-	27,54,22,146	3,00,73,416	**1,50,06,967**	-	4,50,80,383	**23,03,41,763**	24,39,85,147
Equipments	1,78,09,160	-	-	1,78,09,160	93,81,105	**23,23,480**	-	1,17,04,585	**61,04,575**	84,28,055
Furniture and Fixtures	1,08,25,737	2,45,600	-	1,10,71,337	75,86,333	**8,40,571**	-	84,26,904	**26,44,433**	32,39,404
Vehicles - Finance Lease	15,17,311	-	-	15,17,311	6,47,471	**2,74,518**	-	9,21,989	**5,95,322**	8,69,840
Office Equipment	13,77,347	5,94,602	39,000	19,32,949	8,09,354	**3,63,412**	38,249	11,34,517	**7,98,432**	5,67,993
Computers	30,09,903	14,800	-	30,24,703	19,90,747	**4,02,177**	-	23,92,924	**6,31,779**	10,19,156
Library Books	11,93,917	1,99,512	-	13,93,429	8,45,108	**3,95,588**	-	12,40,696	**1,52,733**	3,48,809
TOTAL	**36,40,19,423**	**24,18,097**	**39,000**	**36,63,98,520**	**5,13,33,534**	**1,96,06,713**	**38,249**	**7,09,01,998**	**29,54,96,522**	**31,26,85,889**

Note 2.1 - Intangible Assets (Current Year)

Particulars	Gross Block at Cost				Amortisation				Net Block	
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Website Development	42,512	-	-	42,512	28,699	**4,604**	-	33,303	**9,209**	13,813
Computer Software	59,536	-	-	59,536	54,457	**1,609**	-	56,066	**3,470**	5,079
TOTAL	**1,02,048**	**-**	**-**	**1,02,048**	**83,156**	**6,213**	**-**	**89,369**	**12,679**	**18,892**

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SOUTH CITY INTERNATIONAL SCHOOL
Notes to financial statements for the year ended March 31, 2019

Note 2.1 - Property Plant and Equipment (Previous Year)

Amount in ₹

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land	5,42,27,485	-	-	5,42,27,485	-	-	-	-	**5,42,27,485**	5,42,27,485
Buildings	26,88,68,839	51,89,724	-	27,40,58,563	1,45,74,219	**1,54,99,197**	-	3,00,73,416	**24,39,85,147**	25,42,94,620
Equipments	1,78,09,160	-	-	1,78,09,160	53,81,500	**39,99,605**	-	93,81,105	**84,28,055**	1,24,27,660
Furniture and Fixtures	1,04,59,937	3,65,800	-	1,08,25,737	52,99,426	**22,86,907**	-	75,86,333	**32,39,404**	51,60,511
Vehicles - Finance Lease	15,17,311	-	-	15,17,311	2,46,309	**4,01,162**	-	6,47,471	**8,69,840**	12,71,002
Office Equipment	8,93,239	4,84,108	-	13,77,347	5,39,560	**2,69,794**	-	8,09,354	**5,67,993**	3,53,679
Computers	16,33,790	13,76,113	-	30,09,903	9,01,572	**10,89,175**	-	19,90,747	**10,19,156**	7,32,218
Library Books	11,17,075	76,842	-	11,93,917	3,04,271	**5,40,837**	-	8,45,108	**3,48,809**	8,12,804
TOTAL	**35,65,26,836**	**74,92,587**	-	**36,40,19,423**	**2,72,46,857**	**2,40,86,677**	-	**5,13,33,534**	**31,26,85,889**	**32,92,79,979**

Note 2.1 - Intangible Assets (Previous Year)

Particulars	Gross Block at Cost				Amortisation				Net Block	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Website Development	42,512	-	-	42,512	21,793	**6,906**	-	28,699	**13,813**	20,719
Computer Software	59,536	-	-	59,536	32,169	**22,288**	-	54,457	**5,079**	27,367
TOTAL	**1,02,048**	-	-	**1,02,048**	**53,962**	**29,194**	-	**83,156**	**18,892**	**48,086**

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Note 2.2 Financial Assets - Loans

(Unsecured)

Amount in ₹

	Non-Current	
	As at 31-Mar-2019	As at 31-Mar-2018
Considered good		
Security Deposits with Supplier	20,000	20,000
Total Financial Assets - Loans	**20,000**	**20,000**

Note 2.3 Other Financial Assets

Amount in ₹

	Non-Current		Current	
	As at 31-Mar-2019	As at 31-Mar-2018	As at 31-Mar-2019	As at 31-Mar-2018
Bank Deposits with maturity of twelve months or More *	2,91,52,641	2,85,20,555	-	-
Interest Receivables	4,06,502	5,34,077	-	-
Income Receivables	-	-	-	42,500
Total Other Financial Assets	**2,95,59,143**	**2,90,54,632**	**-**	**42,500**

* Represents fixed deposits created for Debt Service Reserve Account (DSRA) for loans availed from Kotak Mahindra Bank Ltd and fixed deposits of Rs.1,00,000 with UCO Bank.

S.K.AGRAWAL AND CO. KOLKATA Chartered Accountants

South City International School
Notes to financial statements for the year ended March 31, 2019

Note 2.4 Financial Assets - Trade Receivables

Amount in ₹

	Current	
	As at 31-Mar-2019	**As at 31-Mar-2018**
Trade Receivables - Unsecured Considered good	23,51,997	4,51,600
Total Financial Assets - Trade Receivables	**23,51,997**	**4,51,600**

Note 2.5 Financial Assets - Cash and Cash Equivalents

Amount in ₹

	Current	
	As at 31-Mar-2019	**As at 31-Mar-2018**
Balances with banks:		
– On current accounts	5,60,651	3,07,681
– On savings accounts	34,86,287	27,60,848
Cash on hand	56,649	68,852
Total Cash and Cash Equivalents	**41,03,587**	**31,37,381**

Note 2.6. Other Current Assets

Amount in ₹

	As at 31-Mar-2019	**As at 31-Mar-2018**
Advances other than capital advances		
Advances to Related Parties (Refer Note 2.21)	-	30,540
Advances for Creditors	3,64,765	1,93,501
Advances for Expenses	32,738	11,131
Others		
Balance with Government Authorities	5,57,098	3,21,563
Prepaid Expenses	16,46,844	13,45,158
Other Advances	-	1,23,031
Total Other Current Assets	**26,01,445**	**20,24,924**

S.K. AGRAWAL AND CO. ★ KOLKATA ★ Chartered Accountants

South City International School

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

Note - 2.7 Equity Share Capital

Amount in ₹

	As at 31-Mar-2019	As at 31-Mar-2018
Authorised Capital 50,000 Equity Shares of Rs. 10 each	5,00,000	5,00,000
Issued, Subscribed and Paid-up Capital 30,000 Equity Shares of Rs. 10 each fully paid up in cash	3,00,000	3,00,000
Total Equity Share Capital	3,00,000	3,00,000

a) The Reconciliation of shares capital is given below:

	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Shares outstanding at the beginning of the year	30,000	3,00,000	30,000	3,00,000
Issued during the Year	-	-	-	-
Shares outstanding at the end of the year	**30,000**	**3,00,000**	**30,000**	**3,00,000**

b) Terms/Rights attached to class of shares

The company has only one class of equity shares having par value of Rs.10 per share.Each holder of equity shares has a right of shares pari passu.The company has been granted license under section 25 of the Companies Act 1956 (Corresponding section 8 of the Companies Act 2013),consequently as required by section 25 of the Companies Act 1956 and in terms of clause 5 of the Memorandam of Association of the company,the company will not use any portion of its income or assets in paying to its members, directly or indirectly, by way of dividend , bonus or otherwise by way of profit.

In terms of clause number 10 of the Memorandam of Association of the company, if in the event of winding up or dissolution of the company, there remains , after the satisfaction of all the debts and liabilities ,any property whatsoever , the same shall not be distributed amongst the members of the company but shall be given or transferred to such other company having objects identical to the objects of this company ,subject to such conditions as the Tribunal may impose subject to compliance with provisions of section 115TD of the Income-tax Act and/or any other applicable law in force.

c) Details of Shareholders holding more than 5 percent of Equity Shares in the Company

	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of	% holding	No. of	% holding
South City Projects (Kolkata) Limited	15,300	51.00%	15,300	51.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

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South City International School
Notes to financial statements for the year ended March 31, 2019

Note - 2.8 Other Equity

Amount in ₹

	As at 31-Mar-2019	As at 31-Mar-2018
Reserves & Surplus		
Retained Earnings	10,54,925	(3,01,96,348)
Other Comprehensive Income		
- FVTOCI Reserve	(35,42,380)	(21,08,529)
Total Other Equity	**(24,87,455)**	**(3,23,04,877)**

Retained Earnings - Retained earnings includes surplus in the Statement of Income and Expenditure, Ind-AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit obligations.

FVTOCI Reserve - Net gain/(loss) on financial assets measured at fair value through other comprehensive income.

Note 2.9 Financial Liabilities - Borrowings

Amount in ₹

	As at March 31, 2019	As at March 31, 2018
Non-Current Borrowings		
Secured		
Term Loans from Banks	12,47,85,557	18,20,02,117
Long Term Maturities of Vehicle Loan	3,31,355	4,83,534
Unsecured		
Loan from Holding Company	4,60,66,290	6,93,07,320
Total Non Current Borrowings	**17,11,83,202**	**25,17,92,971**
Borrowing included in Other Financial Liabilities		
Current maturities of long-term borrowings from Bank	4,06,07,841	1,73,07,814
Current maturities of Vehicle Loan	1,53,452	1,40,433
Total Borrowing included in Other Financial Liabilities	**4,07,61,293**	**1,74,48,247**
Aggregate of Term Loan from Bank	16,53,93,398	19,93,09,931
Aggregate of Vehicle Loan	4,84,807	6,23,967
Current Borrowings		
Secured		
Bank Overdraft	2,23,04,124	1,99,85,017
Total Current Borrowings	**2,23,04,124**	**1,99,85,017**

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South City International School

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

Terms and conditions

(1) Term loan from Banks	**As at March 31, 2019**	**As at March 31, 2018**
Rupee term Loan from **Kotak Mahindra Bank Limited (KMBL)** are secured by- The above Term Loans are secured by first and exclusive charge over the movable and immovable fixed assets (both present and future) at **6 months KMCLR plus 0.75%** per annum. Further, it is additionally secured by corporate guarantee of the holding company, South City Projects (Kolkata) Ltd .	16,53,93,398	19,93,09,931
(i)Term Loan of Rs. 23 crores from Kotak Mahindra Bank Ltd is repayable in 53 monthly installments till Aug'2023 as per EMI plan of the lender.The EMI is subject to change in case of change of Base Rate of lender.		
(ii)Term Loan of Rs. 5 crores from Kotak Mahindra Bank Ltd is repayable in 17 monthly installments till Aug'2020 as per EMI plan of the lender.The EMI is subject to change in case of change of Base Rate of lender.		
Total of Term Loan from Banks	**16,53,93,398**	**19,93,09,931**

(2) Vehicle Loan	**As at March 31, 2019**	**As at March 31, 2018**
The Vehicle loan of Rs.762000/- from HDFC Bank Ltd is repayable in 35 monthly installments payable till February'2022 as per EMI plan of the lender was secured against hypothecation of vehicles held by the Company bearing interest rate @ 9.26% p.a	4,84,807	6,23,967
Total of Vehicle Loan	**4,84,807**	**6,23,967**

(3) Loan from Holding Company	**As at March 31, 2019**	**As at March 31, 2018**
The loan from Holding Company is bearing interest @ 12% p.a.	4,60,66,290	6,93,07,320
Total Loan from Holding Company	**4,60,66,290**	**6,93,07,320**

(4) Bank Overdraft	**As at March 31, 2019**	**As at March 31, 2018**
The above Loans are secured by first and exclusive charge over the movable and immovable fixed assets (both present and future) at **6 months KMCLR plus 0.75%** per annum.Further, it is additionally secured by corporate guarantee of the holding company, South City Projects (Kolkata) Ltd .	2,23,04,124	1,99,85,017
Total Bank Overdraft	**2,23,04,124**	**1,99,85,017**

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South City International School

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

Note 2.10 Provisions

Amount in ₹

	Non-Current		Current	
	As at 31-Mar-2019	As at 31-Mar-2018	As at 31-Mar-2019	As at 31-Mar-2018
Provision for Gratuity (Refer Note 2.25)	1,04,24,480	65,88,356	5,06,137	5,69,512
Total Provisions	**1,04,24,480**	**65,88,356**	**5,06,137**	**5,69,512**

Note 2.11 Trade Payables

Amount in ₹

	Current	
	As at 31-Mar-2019	As at 31-Mar-2018
- Total outstanding dues of Micro & Small Enterprises *		
- Total outstanding dues of creditors other than Micro & Small Enterprises	8,41,174	7,48,630
Total Trade Payables	**8,41,174**	**7,48,630**

*The company has sent intimation to the suppliers requesting for furnishing details about their registration under Micro, Small and Medium Enterprises Development Act, 2006 or otherwise. The company has not received any replies from the suppliers so far and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

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South City International School

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

Note 2.12 Other Financial Liabilities

Amount in ₹

	Current	
	As at 31-Mar-2019	**As at 31-Mar-2018**
Current maturities of Long-term Borrowings	4,06,07,841	2,05,79,008
Current maturities of Vehicle Loan	1,53,452	1,38,859
Security Deposits Received from Students	4,49,81,050	3,67,83,100
Refundable Deposits from Contractors	9,13,223	9,38,223
Outstanding Liabilities for Expenses	43,90,012	46,99,742
Total Other Financial Liabilities	**9,10,45,578**	**6,31,38,932**

Note 2.13 Other Current Liabilities

Amount in ₹

	Current	
	As at 31-Mar-2019	**As at 31-Mar-2018**
Advance From Students	2,83,26,046	2,47,97,745
Others:		
Statutory Dues	1,17,02,087	1,18,19,532
Total Other Current Liabilities	**4,00,28,133**	**3,66,17,277**

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South City International School
Notes to financial statements for the year ended March 31, 2019

Note 2.14 Revenue From Operations

Amount in ₹

	2018-19	2017-18
Revenue From Operations		
Tuition Fees	12,11,66,495	10,89,79,493
Admission Fees	1,81,51,800	1,52,25,000
Session Fees	2,55,97,500	2,47,60,000
Infrastructure & Development Fees	39,55,000	33,45,000
Others	25,83,706	13,59,243
Total Revenue From Operations	**17,14,54,501**	**15,36,68,736**

Note 2.15 Other Income

Amount in ₹

	2018-19	2017-18
Income from Financial Assets		
Interest Income on bank deposits	23,24,425	23,17,862
Other Non Operating Income		
Miscellaneous Income	1,72,944	2,28,124
Total Other Income	**24,97,369**	**25,45,986**

Note 2.16 Employee Benefit Expenses

Amount in ₹

	2018-19	2017-18
Salaries and wages	5,75,75,822	5,27,06,390
Contribution to provident and other funds (Refer Note 2.25)	55,44,317	49,97,982
Staff welfare expenses	5,72,153	5,26,719
Total Employee Benefit Expenses	**6,36,92,292**	**5,82,31,091**

Note 2.17 Finance Costs

Amount in ₹

	2018-19	2017-18
Interest Expense	2,35,42,048	2,99,63,187
Other Borrowing cost	1,272	1,575
Total Finance Costs	**2,35,43,320**	**2,99,64,762**

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South City International School
Notes to financial statements for the year ended March 31, 2019

Note 2.18 Depreciation and Amortisation Expense

Amount in ₹

	2018-19	2017-18
Depreciation of tangible assets [Note 2.1(a)]	1,96,06,713	2,40,86,677
Amortisation of intangible assets [Note 2.1(b)]	6,213	29,194
Total Depreciation and Amortisation Expense	**1,96,12,926**	**2,41,15,871**

Note 2.19 Other Expenses

Amount in ₹

	2018-19	2017-18
School Running and Other Educational Expenses		
Electricity	89,75,686	87,06,900
Repairs:		
- Building	7,25,236	21,68,169
- Others	10,90,117	28,62,141
- Maintenance	22,65,274	25,41,427
House Keeping Charges	57,02,885	48,05,706
Security Charges	18,11,167	17,14,879
Rates & Taxes	4,650	12,600
School Promotional Expenses	4,54,451	3,28,214
Training Expenses	2,34,114	1,85,763
Retainership and Consultancy Charges	60,07,183	48,12,080
Workshop and School Function Expenses	23,49,698	14,32,648
Printing and Stationery	8,99,615	8,99,707
School Affiliation and Other Expenses	7,56,719	2,65,438
Miscellaneous Expenses	11,03,204	10,61,919
Administrative Expenses		
Insurance Charges	1,22,278	2,60,978
Municipal Tax	21,83,404	1,25,18,940
Professional Fees and Charges *	6,80,800	4,29,882
Miscellaneous Expenses	4,85,578	4,11,410
Total Other Expenses	**3,58,52,059**	**4,54,18,801**

*** Auditor's Remuneration**

Amount in ₹

	2018-19	2017-18
As Auditor:		
Audit fees	70,800	49,000
Tax audit fee	13,570	11,500
Other Matters	16,520	8,850
Total Auditor's Remuneration	**1,00,890**	**69,350**

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South City International School
Notes to financial statements for the year ended March 31, 2019

Note 2.20 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the surplus for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the surplus attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	2018-19	2017-18
Surplus/(Deficit) for calculation of Basic and Diluted Earnings Per Share (Amount in Rs.)	3,12,51,272	(15,15,803)
Weighted average number of shares (Nos.)	30,000	30,000
Earning per equity share		
Basic & Diluted Earning Per Share (in Rs.)	1,041.71	(50.53)

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Note 2.21 - Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements.

Defined Employer Benefit plans
The cost and the present value of the defined benefit gratuity plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note - 2.25

Fair value measurement of financial instruments and guarantees
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, their fair value is measured using valuation techniques including the 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.

Depreciation on Property, Plant and Equipment
Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Provisions and contingencies
The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

S K AGRAWAL AND CO. * KOLKATA * Chartered Accountants

South City International School

Notes to Financial Statements for the year ended March 31, 2019

2.22 Related party transactions

(a)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	₹	₹
Parties whose control exists :	**% of Holding**	**% of Holding**
Holding Company		
South City Projects (Kolkata) Ltd.	51%	51%

(b) **Key Management Personnel**

John Andrew Bagul -Principal
Jugal Kishore khetawat -Director
Pradeep Kumar Sureka -Director
Shrawan Kumar Todi -Director

(c) **Transactions with related parties during the year :-**

Particulars	Key Management Personnel		Holding Comany	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	₹	₹	₹	₹
Salary paid	17,23,721	13,73,151	-	-
Reimbursement of expenses	8,69,002	8,78,170	-	-
Advance given	4,20,898	4,03,694	-	-
Advance adjusted	4,19,035	4,20,597	-	-
Interest on loan	-	-	52,87,744	69,13,656
Loan Taken	-	-	3,67,58,970	5,07,22,290
Repayment of Loan Taken	-	-	6,00,00,000	5,10,00,000
Reimbursement of electricity and maintenance Charges	-	-	3,24,298	2,93,057
Rent Paid	-	-	3,60,000	3,60,000

Closing Balance	Key Management Personnel		Holding Comany	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	₹	₹	₹	₹
-Loan balance	-	-	4,60,66,290	6,93,07,320
-Unadjusted advance	21,731	30,540	-	-
-Equity Shares held	-	-	1,53,000	1,53,000
Sale Of Fixed Assets	-	-	-	-

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2.23 Commitments:

Amount in ₹

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Estimated value of contracts remaining to be executed on capital account, to the extent not provided	-	93,162
Total	**-**	**93,162**

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Note 2.24 Employee Benefits Obligation

(I) Defined Benefit Plans

The following table summarizes the components of net benefit expense recognised in the Statement of Surplus/(Deficit) and OCI and amounts recognised in the Balance Sheet.

Amount in ₹

Particulars	Gratuity funded 2018 - 19	2017 - 18
Changes in the Present Value of Defined Benefit Obligation		
Present Value of Defined Benefit Obligation at the beginning of the period	90,41,191	68,54,476
Current Service Cost	17,87,742	14,20,906
Interest Cost	6,96,172	5,14,086
Past Service Cost	-	-
Remeasurements (or Acturial (gains)/losses) arising from :		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	1,32,741	4,65,182
- Experience varience (i.e. Actual experience vs assumptions)	12,93,728	5,19,159
- Others	-	-
Benefits Paid	(7,69,582)	(7,32,618)
Present Value of Defined Benefit Obligation at the end of the period	**1,21,81,992**	**90,41,191**

Amounts Recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation at the year end	1,21,81,992	90,41,191
Fair Value of the Plan Assets at the year end	12,51,375	18,83,323
Liability/(Asset) Recognised in the Balance Sheet	**(1,09,30,617)**	**71,57,868**

Particulars	2018-19	2017-18
Expense recognised in the Statement of Surplus/(Deficit):		
Current Service Cost	17,87,742	14,20,906
Past Service Cost	-	-
Net Interest Cost/(Income)	5,51,156	3,74,729
Net Cost Recognised in the Statement of Surplus/(Deficit)	**23,38,898**	**17,95,635**
Expense recognised in the Other Comprehensive Income:		
Return on plan assets,excluding amount recognised in net interest expense	7,382	77,983
Acturial (gains)/losses due to:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	1,32,741	4,65,182
- Experience varience (i.e. Actual experience vs	12,93,728	5,19,159
- Others	-	-
Net Cost Recognised in Other Comprehensive Income	**14,33,851**	**10,62,324**

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South City International School

Notes to Financial Statements for the year ended March 31, 2019

Note 2.24 Employee Benefits Obligation

(i) The principal assumptions used in determining Gratuity obligations for the Company's plans are shown below:

Financial Assumptions :		
Discount Rate	7.70%	7.70%
Salary Growth Rate (per annum)	5.00%	5.00%
Demographic Assumptions :		
Mortality Rate (% of IALM 06-08)	100%	100%
Normal Retirement Age (yrs.)	60	60
Attrition Rates, based on age	2%	2%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The discount rate is based on the government securities yield.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

(ii) A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

	Gratuity			
	As at 31.03.2019		**As at 31.03.2018**	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,36,38,431	1,09,46,902	1,01,32,330	81,18,314
% change compared to base due to sensitivity	11.96%	(10.14%)	12.07%	(10.21)%
Salary Growth Rate (- / + 1%)	1,08,81,853	1,36,94,449	80,69,552	1,01,74,764
% change compared to base due to sensitivity	(10.67)%	12.42%	(10.75)%	12.54%
Attrition Rate (- / + 50%)	1,18,33,193	1,24,89,595	87,67,637	92,81,451
% change compared to base due to sensitivity	(2.86)%	2.53%	(3.03)%	2.66%
Mortality Rate (- / + 10%)	1,21,18,718	1,22,43,716	89,87,518	90,93,458
% change compared to base due to sensitivity	(0.52)%	0.51%	(0.59)%	0.58%

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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Note 2.24 Employee Benefits Obligation

(iii) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk : This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

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Note 2.25 Financial Risk Management, Objectives and Policies

The Company's principal financial liabilities, comprise of borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements . The Company has various financial assets such as trade receivables, loans and cash & cash equivalents , which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's Board of Directors assures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

A. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.

The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes security deposits, Loans given and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

a) Credit Risk Management

1. Credit Risk Rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A. Low Credit Risk

B. Moderate Credit risk

C. High credit risk

The Company provides for Expected Credit Loss based on the following:-

Asset Group	**Description**	**Provision for Expected Credit Loss***
Low Credit Risk	Cash and cash equivalents,Trade Receivables, loans and other financial assets	12 month expected credit loss/life time expected credit loss

*Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in Statement of Surplus/(Deficit).

Credit Rating	**Particulars**	**31.03.2019**	**31.03.2018**
Low Credit Risk	Cash and cash equivalents,Trade Receivables, loans and other financial assets	3,60,34,727	3,27,06,113

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South City International School
Notes to Financial Statements for the year ended March 31, 2019

Note 2.25 Financial Risk Management, Objectives and Policies
B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of Financial Liabilities

The table below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities

March 31, 2019

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	2,23,04,124	17,11,83,202	-	19,34,87,326
Trade Payable	8,41,174	-	-	8,41,174
Security Deposits	4,49,81,050	-	-	4,49,81,050
Other Financial Liabilities	4,60,64,528	-	-	4,60,64,528

March 31, 2018

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,99,85,017	25,17,92,971	-	27,17,77,988
Trade Payable	7,48,630	-	-	7,48,630
Security Deposits	3,67,83,100	-	-	3,67,83,100
Other Financial Liabilities	2,63,55,832	-	-	2,63,55,832

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KOLKATA
Chartered Accountants

Note 2.25 Financial Risk Management, Objectives and Policies

C. Market Risk

a. Interest Rate Risk

The Company has taken debt to finance its working capital , which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk.

Interest Rate Risk Exposure

Particulars	31.03.2019	31.03.2018
Variable Rate Borrowing	18,76,97,522	21,92,94,948
Fixed Rate Borrowing	4,65,51,097	6,99,31,287

Interest Rate Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2019	March 31, 2018
Interest Sensitivity*		
Interest Rates increase by 100 basis points	(23,52,399)	(34,36,420)
Interest Rates decrease by 100 basis points	23,52,399	34,36,420

*Holding all other variables constant

b. Price Risk

The Company's exposure to price risk arises from investments held and classified as FVTPL or FVOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.However the Company has not made any investments during the year and hence this is not applicable.

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Note 2.26 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its activities. The Company's overall strategy remains unchanged from previous year.The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity ,internal fund generation and borrowed funds.. The Company's policy is to use short term and longterm borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents). Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

	As at 31.03.2019	**As at 31.03.2018**
Borrowings	19,34,87,326	27,17,77,988
Other Financial Liabilities	9,10,45,578	6,31,38,932
Trade Payables	8,41,174	7,48,630
Less: Cash and Cash Equivalents	41,03,587	31,37,381
Net Debt	**28,12,70,491**	**33,25,28,168**
Total capital	3,00,000	3,00,000
Capital and Net Debt	**28,15,70,491**	**33,28,28,168**
Gearing ratio	99.89%	99.91%

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Notes to Financial Statements for the year ended March 31, 2019

Note 2.27 Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(a) **Financial Instruments at Ammortized Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(b) During the year there has been no transfer from one level to another .

S K AGRAWAL AND CO. ★ KOLKATA ★ Chartered Accountants

South City International School
Notes to Financial Statements for the year ended March 31, 2019

Note 2.28 a. Financial Assets

Amount in ₹

	As at 31.03.2019	As at 31.03.2018
Financial Assets - Non Current		
At Amortised Cost		
(a) Loans	20,000	20,000
(b) Other financial assets	2,95,59,143	2,90,54,632
Total Non Current Financial Assets (a)	**2,95,79,143**	**2,90,74,632**
Financial Assets - Current		
At Amortised cost		
(a) Trade Receivables	23,51,997	4,51,600
(b) Cash and Cash Equivalents	41,03,587	31,37,381
(c) Other Financial Assets	-	42,500
Total Current Financial Assets (b)	**64,55,584**	**36,31,481**
Total Financial Assets (a + b)	**3,60,34,727**	**3,27,06,113**

Note 2.28 b. Financial Liabilities

	As at 31.03.2019	As at 31.03.2018
Financial Liabilities - Non Current		
At Amortised Cost		
(a) Borrowings	17,11,83,202	25,17,92,971
Total Non Current Financial Liabilities (a)	17,11,83,202	25,17,92,971
Financial Liabilities - Current		
At Amortised Cost		
(a) Borrowings	2,23,04,124	1,99,85,017
(b) Trade payables	8,41,174	7,48,630
(c) Other Financial Liabilities	9,10,45,578	6,31,38,932
Total Current Financial Liabilities (b)	11,41,90,876	8,38,72,579
Total Financial Liabilities (a + b)	**28,53,74,078**	**33,56,65,549**

S K AGRAWAL AND CO. ★ KOLKATA ★ Chartered Accountants

South City International School

Notes to Financial Statements for the year ended March 31, 2019

Note 2.29

Previous year's figures have been re-grouped/ re-cast/ re-arranged/ re-classified, wherever necessary, to make them comparable to those of the current year.

For S. K AGRAWAL AND CO
Chartered Accountants
Firm Registration No : 306033E

SOUTH CITY INTERNATIONAL SCHOOL
Director

SOUTH CITY INTERNATIONAL SCHOOL
Director

J.K. Choudhury
Partner
M.No.009367
Place: Kolkata
Dated:
2 4 JUN 2019

S K AGRAWAL AND CO. KOLKATA Chartered Accountants