

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF IL&FS EDUCATION & TECHNOLOGY SERVICES LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **IL&FS Education & Technology Services Limited** ("the Company"), for the year ended 31 March, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DFIC/69/2016 dated 10 August, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/IMD/DFIC/69/2016 dated 10 August, 2016; and



**Deloitte
Haskins & Sells**

- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March, 2018.
5. The Statement includes the results for the half year ended 31 March, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the half year of the current financial year which were subject to limited review by us.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



Jitendra Agarwal
Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Mumbai
Date: 25 May, 2018

IL&FS Education & Technology Services Limited CIN: U80220MH19997PLC112535 Registered office: The IL&FS Financial Centre, C Block, G-22, Bandra Kurla Complex (BKC), Bandra (E), Mumbai - 400 051, Maharashtra			
			Annexure - I
BALANCE SHEET AS AT 31 MARCH, 2018			
		(Rs. in Lacs)	
Sr. No.	Particulars	As at 31 March, 2018 (Audited)	As at 31 March, 2017 (Audited)
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	1,029.81	1,102.72
	(b) Intangible assets	504.26	844.96
	(c) Intangible assets under development	775.46	167.05
	(d) Financial assets		
	(i) Investments	10,403.86	10,403.86
	(ii) Other financial assets	5,052.47	3,270.29
	(e) Non-current tax assets (net)	500.52	445.33
	(f) Deferred tax assets (net)	2,691.00	2,779.00
	(g) Other non-current assets	13.36	29.64
	Total non-current assets	20,970.74	19,042.85
2	Current assets		
	(a) Inventories	2,286.14	611.59
	(b) Financial assets		
	(i) Trade receivables	46,182.13	46,154.46
	(ii) Cash and cash equivalents	1,341.86	347.03
	(iii) Bank balances other than (ii) above	1,338.06	942.37
	(iv) Other financial assets	23,874.75	27,117.00
	(c) Other current assets	3,286.23	1,294.95
	Total current assets	78,309.17	76,467.40
	Total assets	99,279.91	95,510.25
B	EQUITY AND LIABILITIES		
1	EQUITY		
	(a) Equity share capital	3,753.41	3,753.41
	(b) Other equity	19,543.97	18,301.16
	Total Equity	23,297.38	22,054.57
2	LIABILITIES		
	Non current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	18,497.21	26,857.33
	(b) Provisions	58.24	65.60
	Total non current liabilities	18,555.45	26,922.93
	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	26,228.32	24,169.13
	(ii) Trade payables	21,407.38	11,997.33
	(iii) Other financial liabilities	9,207.79	9,508.35
	(b) Other current liabilities	548.81	838.63
	(c) Provisions	34.78	19.31
	Total current liabilities	57,427.08	46,532.75
	Total liabilities	75,982.53	73,455.68
	Total equity and liabilities	99,279.91	95,510.25

For and on behalf of Board of Directors of
IL&FS Education & Technology Services Limited



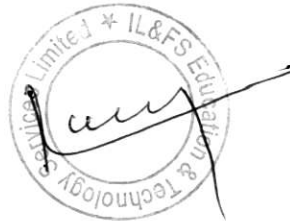

RCM Reddy
 Managing Director
 DIN 00060073

IL&FS Education & Technology Services Limited
CIN: U80220MH19997PLC112535

Registered office: The IL&FS Financial Centre, C Block, G-22, Bandra Kurla Complex (BKC), Bandra (E), Mumbai - 400 051, Maharashtra

STATEMENT OF FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED 31 MARCH, 2018

Sr. No.	Particulars	(Rs. in Lacs)			
		Current half year ended 31.03.2018	Corresponding half year in the previous year ended 31.03.2017	Year to date figures ended 31.03.2018	Previous year ended 31.03.2017
		(Audited)	(Audited)	(Audited)	(Audited)
		(See note 10)	(See note 10)		
1	Revenue from operations	20,802.16	28,506.97	53,734.49	42,710.81
2	Other Income	1,166.53	285.95	1,738.03	927.35
3	Total Income (1+2)	21,968.69	28,792.92	55,472.52	43,638.16
4	Expenses:				
a)	Purchases of traded goods	2,882.56	3,336.97	6,706.18	5,670.80
b)	Changes in inventories of traded goods	(645.62)	1,701.75	(1,674.55)	726.89
c)	Employee benefits expense	1,153.80	693.53	2,308.63	1,760.03
d)	Programme, administrative and other expenses	11,568.23	13,042.69	35,413.35	21,859.55
e)	Finance costs	4,027.00	3,821.12	7,980.83	7,480.37
f)	Depreciation and amortisation expense	319.16	306.14	647.80	619.90
	Total Expenses (a+b+c+d+e+f)	19,305.13	22,902.20	51,382.24	38,117.54
5	Profit before tax (3-4)	2,663.56	5,890.72	4,090.28	5,520.62
6	Tax expense/(benefits):				
a)	Current Tax	353.76	1,306.78	1,246.72	1,306.78
b)	Deferred Tax charge/(credit)	476.29	262.40	89.29	647.40
	Total Tax expense (a+b)	830.05	1,569.18	1,336.01	1,954.18
7	Profit after tax (5-6) (A)	1,833.51	4,321.54	2,754.27	3,566.44
8	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
(i)	Remeasurement of the defined benefit plan	4.70	(16.90)	(3.72)	(18.50)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	(1.62)	5.85	1.29	6.40
	Total other comprehensive income / loss (B)	3.08	(11.05)	(2.43)	(12.10)
9	Total comprehensive income for the period (A)+(B)	1,836.59	4,310.49	2,751.84	3,554.34
10	Earnings per share (EPS)				
a)	Basic (Rs.) (* not annualised)	4.89	11.48	7.34	9.50
b)	Diluted (Rs.) (* not annualised)	4.89	11.48	7.34	9.50
11	Paid up equity share capital (Face value of Rs. 10 each)	3,753.41	3,753.41	3,753.41	3,753.41
12	Other equity	19,543.97	18,301.16	19,543.97	18,301.16
13	Net worth	23,297.38	22,054.57	23,297.38	22,054.57
14	Paid up debt capital / outstanding debt	27,174.67	35,346.51	27,174.67	35,346.51
15	Debt equity ratio	1.17	1.60	1.17	1.60
16	Debenture redemption reserve	3,850.00	5,356.00	3,850.00	5,356.00
17	Debt service coverage ratio	0.52	1.19	0.45	0.68
18	Interest service coverage ratio	2.72	3.04	2.22	2.26



Notes to audited financial results

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 25 May, 2018.
- The Company is engaged mainly in the business of education and technology services. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirement of Indian Accounting Standard (Ind AS) 108 on "Operating Segment Reporting" notified under the Companies (Indian Accounting Standard) Rules, 2015.
- The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules 2015 (Ind AS) as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Beginning 1 April, 2017 the Company has for the first time adopted Ind AS with a transition date 1 April, 2016. These financial results (including for all the periods presented in accordance with Ind AS 101 - First time adoption of the Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- Details of previous and next due date of non-convertible debentures are as follows:

Particulars	Previous due dates				Next due dates			
	October 01, 2017- March 31, 2018				April 01, 2018- September 30, 2018			
	Principal	Amount (In Rs.)	Interest	Amount (In Rs.)	Principal	Amount (In Rs.)	Interest	Amount (In Rs.)
1) Series B	October 10, 2017	268,000,000	October 10, 2017	7,106,332	-	-	-	-
2) Series C	October 10, 2017	-	October 10, 2017	55,063,890	April 10, 2018	250,000,000	April 10, 2018	53,812,603
	January 10, 2018	2,000,000	January 10, 2018	55,063,890	July 10, 2018	172,000,000	July 10, 2018	47,554,356

- Credit rating and change in credit rating (if any):
The Company has retained its credit rating of "IND AA-(SO)/Stable" (affirmed) certified by India Rating & Research (a Fitch Group Company) for both types of Debentures i.e. Series B and Series C.
- The non-convertible debentures of the Company are secured by first charge on designated escrow account for collection of identified receivables and current assets for nine Information Communication & Technology (ICT) Projects .
- Paid-up debt capital includes all long term borrowings and current maturities of long term borrowings.
- Reconciliation of net profit between Indian GAAP as previously reported and the total comprehensive income as per Ind AS is as follows:

Particulars	(Rs. in Lacs)	
	For the half year ended 31 March, 2017	Year ended 31 March, 2017
Net profit as per erstwhile Indian GAAP (Prior GAAP)	3,608.33	2,072.82
Adjustments		
Impact of accounting as per service concession arrangements	1,714.78	3,021.61
Impact of recognition of borrowing and security deposit at amortised cost using effective interest method	(46.28)	(102.30)
Remeasurements of the defined benefit plans taken to other comprehensive income	16.90	18.50
Allowances for expected credit loss	(573.79)	(573.79)
Effect of deferred tax adjustment on above items	(398.40)	(870.40)
Net profit as per Ind AS (A)	4,321.54	3,566.44
Other comprehensive income (B)	(11.05)	(12.10)
Total comprehensive income as per Ind AS (A)+(B)	4,310.49	3,554.34

- Reconciliation of equity as per previously reported Indian GAAP and as per Ind AS is as follows:

Particulars	(Rs. in Lacs)
	Year ended 31 March, 2017
Total equity as per previous GAAP (A)	25,368.45
Adjustments:	
Impact of accounting as per service concession arrangements	(4,687.15)
Impact of recognition of borrowing and security deposit at amortised cost using effective interest method	117.78
Allowances for expected credit loss	(419.51)
Effect of deferred tax adjustment on above items	1,675.00
Total adjustments (B)	(3,313.88)
Total equity under Ind AS (A)+(B)	22,054.57

- The statement includes the results for the half year ended 31 March, 2018 and 31 March, 2017 being the balancing figures between audited figures in respect of respective full financial year and the published year to date figures upto the half year of the current financial year and the previous financial year which were subject to limited review or unaudited.
- The Balance Sheet is set out in Annexure - I.
- Previous period / year figures have been regrouped / reclassified wherever necessary, to conform with current period / year presentation.
- Formula used:
Earnings per share = Net Profit / No. of shares
Debt equity ratio = Total outstanding debt / Equity share capital
Debt service coverage ratio = Earnings before interest on debt capital and tax / (Interest on debt capital + Principal installment of debt capital)
Interest service coverage ratio = Earnings before interest on debt capital and tax / Interest on debt capital
Net worth = Share capital + Reserves and surplus

For and on behalf of board of directors of
IL&FS Education & Technology Services Limited

RCM Reddy
Managing Director
DIN 00060073

Place : Mumbai
Date : May 25, 2018

