

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of eSense Learning Private Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of eSense Learning Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial



control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its loss and its cash flows for the year ended on that date.

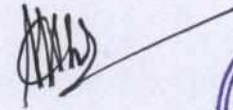
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 and hence no impact on its financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*For GBCA & Associates*  
*(Formerly Ghalla & Bhansali)*  
Chartered Accountants  
Firm Registration No. 103142W



**Haresh K. Chheda**  
Partner  
Membership No. 38262



Place: Mumbai  
Date: 16<sup>th</sup> May, 2016

## **“Annexure A” to the Independent Auditor’s Report**


Referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The fixed assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) There is no immovable property held in the name of the company
- ii. (a) The management has conducted the physical verification of inventory at reasonable intervals.  
  
(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits during the year from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii.(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. According to the information and explanations given to us as on March 31, 2016, there are no such undisputed dues payable for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For GBCA & Associates**  
(Formerly Ghalla & Bhansali)  
Chartered Accountants  
Firm Registration No. 103142W

  
**Haresh K. Chheda**  
Partner  
Membership No. 38262

Place: Mumbai  
Date: 16<sup>th</sup> May, 2016



**“Annexure B” to the Independent Auditor’s Report of even date on the standalone Financial Statements of eSense Learning Private Limited.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of eSense Learning Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal 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. 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be 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.

Commensurate to the size and nature of the business, 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.

**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, 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, 2016, 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.

*For GBCA & Associates*  
*(Formerly Ghalla & Bhansali)*  
Chartered Accountants  
Firm Registration No. 103142W

  
**Haresh K. Chheda**  
Partner  
Membership No. 38262



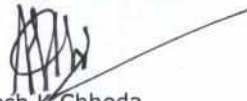
Place: Mumbai  
Date: 16<sup>th</sup> May, 2016

**eSense Learning Private Limited**  
**Balance Sheet as at 31st March ,2016**

	Note	AS AT 31-March- 2016 RS.	AS AT 31-Mar-2015 RS.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	4,13,35,000.00	4,13,35,000.00
Reserves and Surplus	2	-17,92,66,106.94	-13,21,38,800.79
		<b>-13,79,31,106.94</b>	<b>-9,08,03,800.79</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	20,00,00,000.00	24,70,00,000.00
Long Term Provision	4	1,20,59,089.00	47,37,087.00
		<b>21,20,59,089.00</b>	<b>25,17,37,087.00</b>
<b>Current Liabilities</b>			
Short -Term Borrowing	5	3,97,15,836.27	58,46,953.00
Trade Payable	6	30,07,095.81	15,26,477.00
Other Current Liabilities	7	2,70,23,513.52	2,27,84,964.67
Short-Term Provisions	8	10,57,505.00	96,714.00
		<b>7,08,03,950.60</b>	<b>3,02,55,108.67</b>
<b>Total</b>		<b>14,49,31,932.66</b>	<b>19,11,88,394.88</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9	3,94,22,034.09	6,67,42,943.58
Intangible Assets	9	1,72,182.46	7,72,548.81
Non-Current Investment	10	49,99,800.00	49,99,800.00
Long - Term Loans and Advances	11	28,90,993.00	26,48,345.96
Other Non Current Assets	12	1,33,363.00	1,24,863.00
		<b>4,76,18,372.55</b>	<b>7,52,88,501.35</b>
<b>Current Assets</b>			
Inventories	13	1,68,73,029.60	1,77,63,128.71
Trade Receivable	14	7,19,84,264.55	9,11,38,888.55
Cash & Cash Equivalents	15	62,63,024.91	38,16,456.79
Short- Term Loans and Advances	16	18,87,341.95	27,68,924.08
Other Current Assets	17	3,05,899.10	4,12,495.40
		<b>9,73,13,560.11</b>	<b>11,58,99,893.53</b>
<b>Total</b>		<b>14,49,31,932.66</b>	<b>19,11,88,394.88</b>

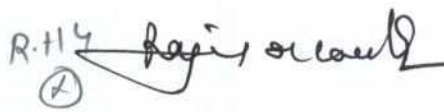
Significant Accounting Policies and Notes on accounts 1 to 35  
As per our report of even date attached hereto

For & On behalf of:  
**GBCA & Associates**  
(Formerly Ghalla & Bhansali)  
**Chartered Accountants**  
Firm Registration Number 103142W

  
Haresh K. Chheda  
Partner  
Membership Number 38262



Mumbai, 16th May ,2016

  
R.H.G

Shri Raju .H. Gala  
Managing Director

  
Shri Harshil A. Gala  
Director

Mumbai, 16th May ,2016



**eSense Learning Private Limited****Statement of Profit and Loss for the year ended 31st March 2016**

	Note	2015-2016 RS.	2014-2015 RS.
<b>INCOME</b>			
Revenue from Operations	18	19,62,00,586.97	20,12,77,668.02
Other Income	19	14,34,658.38	3,54,889.87
<b>Total Revenue</b>		<b>19,76,35,245.35</b>	<b>20,16,32,557.89</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	1,72,15,144.34	95,54,639.57
Purchase of Stock -in-Trade		70,72,907.75	19,56,808.32
Changes in inventories of finished Goods and Work-in - progress	21	8,58,543.49	2,23,65,780.43
Employee Benefits Expenses	22	8,67,34,368.92	6,75,46,953.72
Finanace Costs	23	86,13,181.00	57,15,104.00
Deperication and Amortisation Expenses	9	2,88,73,156.77	3,46,50,705.37
Other Expenses	24	9,53,95,249.23	6,27,80,839.89
<b>Total Expenditure</b>		<b>24,47,62,551.50</b>	<b>20,45,70,831.30</b>
<b>Profit / (Loss ) Before Tax</b>		<b>(4,71,27,306.15)</b>	<b>(29,38,273.41)</b>
<b>Tax Expenses</b>		-	-
<b>Profit / (Loss ) for the year</b>		<b>(4,71,27,306.15)</b>	<b>(29,38,273.41)</b>

Basic and Diliuted Earning per shares of Rs.10/- each	25	(11.40)	(0.71)
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Significant Accounting Policies and Notes on accounts	1 to 35		
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R.H. Gala

As per our report of even date attached hereto

Shri R.H.Gala  
Managing Director

For & On behalf of:  
**GBCA & Associates**  
(Formerly Ghalla & Bhansali)  
**Chartered Accountants**  
Firm Registration Number 103142W

Shri Harshil A. Gala  
Director

Haresh K.Chheda  
Partner ,  
Membership Number .38262



Mumbai, 16th May ,2016

Mumbai, 16th May ,2016

**eSense Learning Private Limited**  
**Cash Flow Statement for the year 2015-2016**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Amount</b>	<b>Amount</b>
<b>CASH FLOW FROM OPERATING ACTIVITES</b>		
Profit / (Loss ) before Tax	(4,71,27,306)	(29,38,273)
<b>Adjustments for</b>		
Depreciation and amortization expenses	2,88,73,157	3,46,50,705
(Profit) / Loss on Sales of Fixed Assets	(12,21,819)	(1,07,114)
Bad Debts Written Off	1,21,15,630	52,61,699
Finance Cost	86,13,181	57,15,104
<b>Operating Profit before working capital changes</b>	<b>12,52,843</b>	<b>4,25,82,121</b>
Trade and Other Receivable	80,64,678	(45,49,238)
Inventories	8,90,099	2,26,22,709
Loans and Advances	(8,500)	2,18,934
Trade and other Payable	1,41,00,779	8,15,875
<b>Cash Generated from Operations</b>	<b>2,42,99,898</b>	<b>6,16,90,401</b>
Income Tax paid	(2,80,153)	(9,71,925)
<b>Net Cash from operating activities</b>	<b>2,40,19,745</b>	<b>6,07,18,476</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(24,24,200)	(58,78,298)
Sale of Fixed Assets	25,95,320	37,52,291
Investment as Share Application	-	2,04,53,000
Interest Income	(68,293)	(1,06,039)
<b>Net Cash used in Investing activities</b>	<b>1,71,120</b>	<b>1,82,20,954</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	(1,31,31,117)	(7,52,00,061)
Interest paid	(86,13,181)	(57,15,104)
<b>Net Cash used in Financial Activities</b>	<b>(2,17,44,298)</b>	<b>(8,09,15,165)</b>
<b>Net Increase ( Decrease ) in Cash and Cash Equivalents</b>	<b>24,46,568</b>	<b>(19,75,735)</b>
Cash and Cash Equivalents as at the beginning of the year	38,16,457	57,92,192
Cash and Cash Equivalents as at the end of the year	62,63,025	38,16,457
	<b>24,46,568</b>	<b>(19,75,735)</b>



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**Cash and Cash Equivalents**

Cash on hands

**2015-2016  
Amount**

1,89,814

**2014-2015  
Amount**

2,47,402

**Balance with scheduled banks**

In Current Accounts

60,73,211

35,69,055

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**62,63,025**

**38,16,457**

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As per our report of even  
date attached hereto

For & On behalf of the Board

For & On behalf of:

**GBCA Associates**

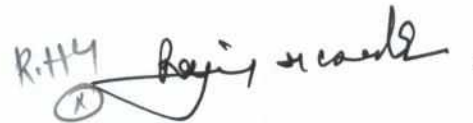
(Formerly Ghalla & Bhansali)

**Chartered Accountants**

Firm Registration Number 10314W



**Haresh K.Chheda**  
**Partner ,**  
**Membership Number 38262**



Shri R.H.Gala  
Managing Director



Shri Hrshil A.Gala  
Director

Mumbai, 16th May ,2016

Mumbai, 16th May ,2016

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## **eSense Learning Private Limited**

### Significant Accounting Policies

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**(A) Accounting Convention**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on accrual basis and in accordance with the applicable accounting standards as prescribed under section 133 of the companies act ('the act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and guidelines issues by the Securities and Exchange Board of India (SEBI). The accounting policies have been consistently applied and are consistent with those used in the previous year.

**(B) Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**(C) Revenue Recognition / Income from Operations**

Revenue from Educational content is recognised on transfer of significant risks and rewards in connection with the ownership of products being sold. Revenue is recorded net of trade discount and rebate.  
Revenue from providing technology equipment provided under Long term contract is recognised on establishment of right to receive as per the terms of the contract.

**(D) Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss if any. Cost comprises of the purchase price and all other attributable costs for bringing the asset to its working condition for its intended use.

**(E) Depreciation**

- (i) Depreciation on Fixed Assets other than intangible assets is provided on Written Down Value Method in accordance with the useful life prescribed in Schedule II of the Companies Act, 2013, except for computers where depreciation is charged on Straight line method and the useful life for the same is 5 years.
- (ii) The residual value of the fixed assets is taken as 5 % of original cost except for software where the same is estimated as NIL and the asset is depreciated over a useful life of 3 years
- (iii) The carrying amount of the assets which have been depreciated in excess of their estimated useful life, is expensed out in the current year through profit and loss account.
- (iv) Cost of intangible assets is amortised over a period of 36 months.



## **eSense Learning Private Limited**

### **Significant Accounting Policies**

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**(F) Impairment of Assets**

Assets are treated as impaired when the carrying cost of assets exceeds their recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which the assets are identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been as change in the estimate of recoverable amount.

**(G) Inventories**

Inventories are valued at lower of cost and estimated net realisable value.

- a) Cost of Raw materials, packing materials, stores and spares are determined on weighted average basis.
- b) Cost of Finished goods and Work-In-Process includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**(H) Retirement Benefits**

- (i) Contributions to the provident fund, which is a defined contribution scheme, are charged to the Profit and Loss Account in the period in which the liability is incurred.
- (ii) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on an actuarial valuation carried out by an independent actuary.
- (iii) The Company has made provision in respect of total present liability of Gratuity.

**(I) Borrowing Costs**

The Company capitalises the borrowing costs which are directly attributable to the acquisition or construction of qualifying assets till the said asset is put to use or ready to put to use .All other borrowing cost are expensed in the period they incurred.

**(J) Leased Assets**

Operating Lease : Rentals are expensed with reference to lease terms and other considerations.

**(K) Provision for Tax**

Tax expense comprises of current and deferred tax.

Provision for current tax is determined on the basis of taxable income for the period as per the provisions of Income Tax act, 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences between book profits and tax profits using the tax rates and laws that have been enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only when there is a virtual certainty that the assets will be realized in future.



## **eSense Learning Private Limited**

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### Significant Accounting Policies

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**(L) Foreign Currency Transactions & Financial Instruments**

- (i) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year, are restated at the closing rate as applicable.
- (ii) The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss
- (iii) In respect of forward foreign exchange contract, represented by monetary assets/liabilities and are meant for hedging purposes, the premium or discount arising at the inception of such forwards contract is amortised as expense or income over the life of contract. Exchange differences on such a contract is recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.
- (iv) Non - monetary items are carried in terms of historical cost denominated in a foreign currency using the exchange rate at the date of the transactions.
- (v) Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

**(M) Investments**

Long-term Investments are stated at cost after deducting provision,if any, for other than temporary diminution in the value of investments.Current Investments are stated at lower of cost and market / fair value.

**(N) Contingent Liabilities and Provisions**

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event,and it is probable that an outflow of resources will be require to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date.



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

**1 SHARE CAPITAL**

	As at 31st March, 2016 Rs	As at 31st March, 2015 Rs
<b>Authorised share capital:</b>		
5000000 (5000000) Equity Shares of Rs.10/- each (Rs. 10/- each) fully paid up	5,00,00,000.00	5,00,00,000.00
	<b>5,00,00,000.00</b>	<b>5,00,00,000.00</b>
<b>Issued , subscribed and paid up:</b>		
4133500 (4133500) Equity Shares of Rs.10 each (Rs. 10/- each) fully paid up	4,13,35,000.00	4,13,35,000.00
<b>Total</b>	<b>4,13,35,000.00</b>	<b>4,13,35,000.00</b>

**1.1 Reconciliation of the number of Equity Shares outstanding**

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	Amount	Number of Shares	Amount
Number of Shares at the beginning of the year	41,33,500	4,13,35,000.00	41,33,500	4,13,35,000.00
Add: Shares Issued	-	-	-	-
Number of Shares at the end of the year	<b>41,33,500</b>	<b>4,13,35,000.00</b>	41,33,500	4,13,35,000.00

**1.2 Equity Shareholder holding more than 5% of equity shares along with the number of equity shares held and shares in the Company held by its Holding Company is as given below.**

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	%	Nos.of shares	%	Nos.of shares
Navneet Education Limited	100.00	41,33,500	100.00	41,33,500



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March,2016**

**1.3 Terms/Rights Attached to Equity Shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and ranks *pari passu*.

**2 RESERVES AND SURPLUS**

**Surplus in the Statement of Profit and Loss**

Balance as per last Financial Statements  
 Add: Profit / ( Loss ) for the year  
 Amount available for appropriation

Net Surplus in the Statement of Profit and Loss

**TOTAL**

As at 31st March,2016	As at 31st March,2015
-13,21,38,800.79	-12,92,00,527.38
-4,71,27,306.15	-29,38,273.41
-17,92,66,106.94	-13,21,38,800.79
<b>-17,92,66,106.94</b>	<b>-13,21,38,800.79</b>

**3 LONG TERM BORROWINGS**

Unsecured

Loan from Parent Company  
 Debenture

Fully Compulsorily Convertible debenture face value of Rs.10 each at Interest  
 0.10% and conversation with in Five Year from date of issue

**TOTAL**

As at 31st March,2016	As at 31st March,2015
5,00,00,000.00	9,70,00,000.00
15,00,00,000.00	15,00,00,000.00
<b>20,00,00,000.00</b>	<b>24,70,00,000.00</b>

**4 LONG TERM PROVISIONS**

Provision for Employee Benefit  
 Gratuity  
 Leave Encashment

**TOTAL**

39,18,990.00	15,54,479.00
81,40,099.00	31,82,608.00
<b>1,20,59,089.00</b>	<b>47,37,087.00</b>





**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

	As at 31st March, 2016	As at 31st March, 2015
<b>5 SHORT TERM BORROWINGS</b>		
Secured		
Working Capital Demand Loan	3,97,15,836.27	58,46,953.00
(Short Term Loan are secured against : Hypothecation & first charges over stock of work -in -process , finished goods , stores & sparesnot relating to plant and machinery & books debts.)		
	<u>3,97,15,836.27</u>	<u>58,46,953.00</u>
<b>TOTAL</b>	<b><u>3,97,15,836.27</u></b>	<b><u>58,46,953.00</u></b>
<b>6 TRADE PAYABLE</b>		
	As at 31st March, 2016	As at 31st March, 2015
Micro, Small and Medium Enterprises	0.00	0.00
Others	30,07,095.81	15,26,477.00
	<u>30,07,095.81</u>	<u>15,26,477.00</u>
<b>TOTAL</b>	<b><u>30,07,095.81</u></b>	<b><u>15,26,477.00</u></b>

**Details of the dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March 2014 based on available information with the Company are as under:**

<b>Particulars</b>	As at 31st March, 2016	As at 31st March, 2015
Principal amount due and remaining unpaid	0.00	0.00
Interest due on above and the unpaid interest	0.00	0.00
Interest paid	0.00	0.00
Payment made beyond the appointed day during the year	0.00	0.00
Interest accrued and remaining unpaid	0.00	0.00
Amount of further interest remaining due and payable in succeeding years	0.00	0.00



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March,2016**

<b>7 OTHER CURRENT LIABILITES</b>	<b>As at 31st March,2016</b>	<b>As at 31st March,2015</b>
Capital Creditors	0.00	98,818.00
Advance Received from Customers	38,90,193.19	25,77,714.00
Advance Received for Hardware-Right to use Statutory Dues	49,07,983.64	88,66,952.22
- Provident Fund / ESIC / Professional Tax	7,11,240.00	6,02,639.87
- Tax Deducted At Souce	13,77,273.00	8,94,034.00
- Sales ( VAT ) Tax payable	1,16,258.06	28,446.95
- Service Tax Pyable	264.00	6,463.80
Creditors for Expenses	71,06,193.12	16,12,530.19
Employee Payable	38,37,784.00	26,45,306.64
Deposit Received from Customers	34,24,000.00	48,49,000.00
Provision for Expenses	16,52,324.51	6,03,059.00
<b>TOTAL</b>	<b>2,70,23,513.52</b>	<b>2,27,84,964.67</b>

<b>8 SHORT TERM PROVISIONS</b>	<b>As at 31st March,2016</b>	<b>As at 31st March,2015</b>
<b>Provision for Employee Benefit</b>		
Leave Encashment	7,13,631.00	65,197.00
Gratuity	3,43,874.00	31,517.00
<b>TOTAL</b>	<b>10,57,505.00</b>	<b>96,714.00</b>

<b>10 NON CURRENT INVESTMENTS</b>		
<b>Long Term at Cost ,unless otherwise specified</b>		
<b>Other Investments (unquoted) - Non Trade</b>		
<b>Investment in Equity instruments (Fully paid up)</b>		
8333 ( 8333 ) Equity Shares of Rs. 600 of Wings Intellect Pvt.Ltd.	49,99,800.00	49,99,800.00
<b>TOTAL</b>	<b>49,99,800.00</b>	<b>49,99,800.00</b>



**eSense Learning Private Limited**

**Schedule 9 : Fixed Assets**

Sr. No.	Description of Assets	Gross Block			Depreciation / Amortization				Net Block		
		As at 01.04.2015	Additions during the year	Deduction / Adjustments	As at 31.03.2016	Upto 01.04.2015	For the Year	Deductions / Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
	<b>Tangible</b>										
1	Plant & Machinery	1,96,85,708.15	16,59,070.64	0.00	2,13,44,778.79	1,66,39,928.96	19,20,415.46	50,443.79	1,85,09,900.63	28,34,878.16	30,45,779.19
2	Plant & Mac.-Lease	15,10,03,146.65	3,92,806.91	36,69,358.49	14,77,26,595.07	8,80,05,388.47	2,60,31,586.93	22,45,414.08	11,17,91,561.32	3,59,35,033.75	6,29,97,758.18
3	Office Equipments	18,96,654.85	2,39,996.00	0.00	21,36,650.85	16,46,555.15	1,77,409.37	0.00	18,23,964.52	3,12,686.33	2,50,099.70
4	Furniture & Fixtures	10,98,237.00	33,508.00	0.00	11,31,745.00	6,48,930.49	1,43,378.66	0.00	7,92,309.15	3,39,435.85	4,49,306.51
	<b>Total</b>	<b>17,36,83,746.65</b>	<b>23,25,381.55</b>	<b>36,69,358.49</b>	<b>17,23,39,769.71</b>	<b>10,69,40,803.07</b>	<b>2,82,72,790.42</b>	<b>22,95,857.87</b>	<b>13,29,17,735.62</b>	<b>3,94,22,034.09</b>	<b>6,67,42,943.58</b>
	<b>Intangible</b>										
5	Trade Mark	3,82,30,235.00	0.00	0.00	3,82,30,235.00	3,82,30,235.00	0.00	0.00	3,82,30,235.00	0.00	0.00
6	Software	1,27,92,265.59	0.00	0.00	1,27,92,265.59	1,20,19,716.78	6,00,366.35	0.00	1,26,20,083.13	1,72,182.46	7,72,548.81
	<b>Total</b>	<b>5,10,22,500.59</b>	<b>0.00</b>	<b>0.00</b>	<b>5,10,22,500.59</b>	<b>5,02,49,951.78</b>	<b>6,00,366.35</b>	<b>0.00</b>	<b>5,08,50,318.13</b>	<b>1,72,182.46</b>	<b>7,72,548.81</b>
	<b>Total</b>	<b>22,47,06,247.24</b>	<b>23,25,381.55</b>	<b>36,69,358.49</b>	<b>22,33,62,270.30</b>	<b>15,71,90,754.85</b>	<b>2,88,73,156.77</b>	<b>22,95,857.87</b>	<b>18,37,68,053.75</b>	<b>3,95,94,216.55</b>	<b>6,75,15,492.39</b>
	Previous Year	22,56,39,605.95	59,77,116.20	69,10,474.91	22,47,06,247.24	12,59,11,386.07	3,46,50,705.37	33,71,336.59	15,71,90,754.85	6,75,15,492.39	0.00



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March,2016**

	As at 31st March,2016	As at 31st March,2015
<b>11 LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured ,Considered goods		
Advance Income Taxes	26,48,176.00	23,68,023.00
Loans and Advance to employees	68,000.00	55,000.00
Vat Receivable	1,74,817.00	2,25,322.96
<b>TOTAL</b>	<b>28,90,993.00</b>	<b>26,48,345.96</b>
<b>12 OTHER NON CURRENT ASSETS</b>		
Fixed deposit accounts more than 12 months maturities	1,00,000.00	1,24,863.00
Other Receivable	33,363.00	0.00
<b>TOTAL</b>	<b>1,33,363.00</b>	<b>1,24,863.00</b>
<b>13 INVENTORIES</b>		
(At lower of cost or net realisation value)		
Raw Materials	22,515.84	1,92,203.22
Stores, Spares and Consumable	3,71,469.60	2,33,337.84
Finished Goods	1,08,84,946.90	95,78,605.05
Stock in Trade	55,94,097.26	77,58,982.60
<b>TOTAL</b>	<b>1,68,73,029.60</b>	<b>1,77,63,128.71</b>
<b>14 TRADE RECEIVABLE</b>		
Unsecured , considered goods		
Debtors outstanding for a period exceeding six months	6,17,41,482.55	7,19,28,437.00
Others debts	1,02,42,782.00	1,92,10,451.55
<b>TOTAL</b>	<b>7,19,84,264.55</b>	<b>9,11,38,888.55</b>



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March,2016**

		As at 31st March,2016	As at 31st March,2015
<b>15 CASH AND BANK BALANCES</b>			
Cash and Cash Equivalents		1,89,814.27	2,47,402.27
Cash on hands			
<b>Balance with scheduled banks</b>		60,73,210.64	35,69,054.52
In Current Accounts		62,63,024.91	38,16,456.79
	<b>TOTAL</b>	<b>62,63,024.91</b>	<b>38,16,456.79</b>
<b>16 SHORT TERMS LOANS &amp; ADVANCES</b>			
Unsecured , considered goods			
Advance to materials supplier / contractors		2,81,913.00	5,70,925.50
Prepaid Expenses		5,91,312.00	9,23,536.00
Tender & Other Deposit		6,42,160.00	5,40,160.00
Loans and Advances to employees		5,000.00	86,000.00
Others		3,66,956.95	6,48,302.58
	<b>TOTAL</b>	<b>18,87,341.95</b>	<b>27,68,924.08</b>
<b>17 OTHER CURRENT ASSETS</b>			
SAD(Custom) Receivable		2,90,899.10	3,97,495.40
Sales Tax Deposit		15000.00	15,000.00
	<b>TOTAL</b>	<b>3,05,899.10</b>	<b>4,12,495.40</b>
		<b>2015-2016</b>	<b>2014-2015</b>
		<b>RS.</b>	<b>RS.</b>
<b>18 REVENUE FROM OPERATION</b>			
Sales of Products		17,68,44,400.13	17,38,53,766.95
Sales of Services		3,01,91,818.99	3,94,41,136.90
Other Operating Revenue		-	-
		20,70,36,219.12	21,32,94,903.85
Less: VAT Tax Collected		1,08,35,632.15	1,20,17,235.83
	<b>TOTAL</b>	<b>19,62,00,586.97</b>	<b>20,12,77,668.02</b>



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March,2016**

**19 OTHER INCOME**

Miscellaneous Income  
Profit / ( Loss) on Sales of Fixed Assets

2015-2016 RS.	2014-2015 RS.
2,12,839.08	2,47,775.70
12,21,819.30	1,07,114.17
<b>14,34,658.38</b>	<b>3,54,889.87</b>

**TOTAL**

**20 COST OF MATERIALS CONSUMED**

Raw Materials Consumed

2015-2016 RS.	2014-2015 RS.
1,72,15,144.34	95,54,639.57
<b>1,72,15,144.34</b>	<b>95,54,639.57</b>

**TOTAL**

**21 CHANGE IN INVENTORIES OF FINISHED GOODS  
AND STOCK IN TRADE**

**Closing Stock**

Finished Goods  
Stock in Trade

1,08,84,946.90	95,78,605.05
55,94,097.26	77,58,982.60

**Opening Stock**

Finished Goods  
Stock in Trade

95,78,605.05	1,77,27,427.33
77,58,982.60	2,19,75,940.75

**TOTAL**

**8,58,543.49      2,23,65,780.43**

**22 EMPLOYEES BENEFITS EXPENSES**

Salaries , Wages and Bonus  
Contribution to Provident and Other Funds  
Staff Welfare Expenses

7,63,34,765.87	6,07,27,611.64
70,69,920.05	40,92,372.08
33,29,683.00	27,26,970.00

**TOTAL**

**8,67,34,368.92      6,75,46,953.72**



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>RS.</b>	<b>RS.</b>
<b>23 FINANCE COST</b>		
Interest expense	86,13,181.00	57,15,104.00
<b>TOTAL</b>	<b>86,13,181.00</b>	<b>57,15,104.00</b>
<b>24 OTHER EXPENSES</b>		
Manufacturing Expenses	1,76,88,344.81	78,02,622.00
Royalty	8,92,546.00	0.00
Advertisement expenses	39,88,716.26	63,92,812.87
Marketing expenses	1,06,72,897.00	1,14,44,362.00
Sales promotion expenses	2,45,85,363.76	1,07,94,237.83
Transportation expenses	29,81,667.30	23,42,562.00
Vat/ Sales tax expenses	3,05,431.35	2,77,238.88
Discount & Rebate	13,09,837.14	12,51,754.00
Commission	9,06,850.00	45,250.00
Bad debts & Other irrecoverable advance written off	1,21,15,630.28	52,61,699.00
Rates & Taxes	5,10,554.00	4,40,627.80
Rent	55,03,554.00	38,50,922.00
Building Repairs & Maintainance	9,27,682.00	9,00,258.78
Other Repairs	19,50,798.48	28,06,786.20
Insurance	4,368.00	6,897.00
Bank Charges	1,96,586.64	1,09,406.68
Electricity Charges	18,18,333.30	13,88,086.81
Printing and Stationery	18,42,624.52	5,99,651.54
Leagal & Professional Fees	17,48,695.00	17,83,193.00
Donation	0.00	5,000.00
Staff Recruitment expense	6,26,166.00	4,19,577.22
Other establishment expenses	42,59,707.89	43,18,604.83
Net gain/(loss) on foreign currency translation and transaction	7,033.50	35,481.45
Prior Period Expenses	5,51,862.00	5,03,808.00
<b>TOTAL</b>	<b>9,53,95,249.23</b>	<b>6,27,80,839.89</b>



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

**25 EARNING PER SHARES (EPS )**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Rs.</b>	<b>Rs</b>
(a) Net Profit / ( Loss ) after tax as per statement of profit and loss	<b>(4,71,27,306)</b>	(29,38,273)
(b) Weighted Average Number of Equity Shares	<b>41,33,500</b>	41,33,500
(c) Basic and Diluted Earning per share (in Rs.)	<b>(11.40)</b>	(0.71)
(d) Face value of equity shares (in Rs.)	<b>10.00</b>	10.00

**26 RELATED PARTY TRANSACTIONS**

**I) List of related parties with whom transactions have taken place and relationships:**

**(i) Parent where control Exists:**

Navneet Education Ltd. Parent Company holding 100% (100%) equity share capital as at 31st March 2015 capital as at 31st March, 2015.

(ii) Key Management Personnel & Relatives: Shri Harshil Anil Gala

**II) Disclosure in respect of transactions with related parties during during the year**

Sr. No.	Nature of Transaction/Relationship/Major Parties	2015-2016		2014-2015	
		Amount	Amounts for major parties	Amount	Amounts for major parties
<b>1</b>	<b>Sale of Goods and Services</b>	<b>55,37,818</b>		<b>1,40,413</b>	
	<u>Holding Company:</u> Navneet Education Limited		55,37,818		1,40,413
	<u>Associate Company</u> Wings Intellect Pvt.Ltd.				





**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

<b>2 Purchase of Goods and Services</b>	<b>1,57,39,264</b>		<b>97,96,730</b>	
<u>Holding Company:</u> Navneet Education Limited		1,51,25,256		89,88,810
<u>KMP &amp; their Relative:</u> Shri Harshil Anil Gala		6,14,008		8,07,920
<b>3 Loan Repayment</b>	<b>4,70,00,000</b>		<b>3,58,00,000</b>	
<u>Holding Company:</u> Navneet Education Limited		4,70,00,000		3,58,00,000
<b>4 Share Application Money</b>	-		-	
<u>Associate Company</u> Wings Intellect Pvt.Ltd.		-		-
<b>5 Loan Received</b>	-		<b>16,00,00,000</b>	
<u>Holding Company:</u> Navneet Education Limited		-		16,00,00,000
<b>6 Debenture Issued</b>	-		<b>15,00,00,000</b>	
<u>Holding Company:</u> Navneet Education Limited		-		15,00,00,000
<b>Related Parties Accounts Payable/Receivable as on 31.3.2016</b>				
<b>1 Loans &amp; Advances Recoverable</b>				
<u>Holding Company:</u> Navneet Education Limited	<b>5,00,00,000</b>	5,00,00,000	<b>9,70,00,000</b>	9,70,00,000
<b>2 Investments</b>				
In Equity Shares Wings Intellect Pvt.Ltd.	-	-	-	-
In Debentures Navneet Education Limited	<b>15,00,00,000</b>	15,00,00,000	<b>15,00,00,000</b>	15,00,00,000



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

**27 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS**

Percentage and Value of Imported and Indigenous Raw Material and Stores & Machinery Spares Consumed.

Raw Material			Stores & Machinery Spares etc.		
Value (Rupees)			Value (Rupees)		
Imported	0.00	%	0.00	%	0.00
	-		(0)		(0)
Indigeneous	100.00	%	1,72,15,144	%	0.00
	(100.00)		(95,54,640)		(0)
	<b>100.00</b>	<b>%</b>	<b>1,72,15,144</b>	<b>0.00</b>	<b>0.00</b>
	<b>(100.00)</b>	<b>%</b>	<b>(95,54,640)</b>	<b>0.00</b>	<b>0.00</b>

**28 CIF VALUE OF IMPORT**

Value of Imports on C.I.F. Basis :

	2015-2016 Rs.	2014-2015 Rs
Capital Goods	0	0
Trading Goods	4,55,832	26,67,203
<b>TOTAL</b>	<b>4,55,832</b>	<b>26,67,203</b>



**29 Segment Information**

The Company reviewed the disclosure of business segmentwise information and is of the view that it manufactures educational content which constitutes single business segment in accordance with AS-17. Accordingly no separate business segments information is furnished herewith.

**30 Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee benefits' -**

(a) Defined Contribution Plans

The Company has recognised the following amount as an expense and included in the Statement of Profit and Loss .

1	Contribution to Provident Fund	27,84,733	21,74,236
2	Contribution to ESIC	10,13,208	9,01,078
<b>TOTAL</b>		<b>37,97,941</b>	<b>30,75,314</b>

(b) The Company has made provision in respect of total present liability of Gratuity.

(c) Defined benefit plan and long term employment benefits

	Gratuity ( Non-Funded)		Leave Encashment ( Non-Funded)	
	2015-2016 Rs.	2014-2015 Rs	2015-2016 Rs.	2014-2015 Rs
<b>Change in Obligation</b>				
Opening Present Value	15,85,996	9,23,265	32,47,805	19,08,919
Current Service Cost including actuarial gain / ( loss)	27,96,880	6,34,001	63,66,779	13,81,126
Interest Cost	1,15,549	81,611	2,17,119	1,64,313
Benefits Paid	(2,35,561)	(52,881)	(9,77,973)	(2,06,553)
Closing Present Value	42,62,864	15,85,996	88,53,730	32,47,805



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

**Change in Plan Asset**

Opening Fund Balance				
Return on the plan Asset				
Contribution paid	2,35,561	52,881	9,77,973	2,06,553
Benefits paid during period	(2,35,561)	(52,881)	(9,77,973)	(2,06,553)
Closing Fund Balance				

**Reconciliation of present value of obligation and plan asset.**

Closing Fund Balance	-	-	-	-
Closing present value				
Net Liability	42,62,864	15,85,996	88,53,730	32,47,805
Liability recognized in balance sheet	42,62,864	15,85,996	88,53,730	32,47,805

**Expense recognized in the statement of P & L**

Current Service Cost	10,10,114	4,39,703	35,89,040	11,25,840
Interest Cost	1,15,549	81,611	2,17,119	1,64,313
Expenses Return on Plan Asset / Actuarial gain / (Loss )	17,86,766	1,94,298	27,77,739	2,55,286
Expense recognized in the statement of P & L	29,12,429	7,15,612	65,83,898	15,45,439

**Movement in the Liability recognized in Balance Sheet**

Opening Net Liability	15,85,996	9,23,265	32,47,805	19,08,919
Expense as above	29,12,429	7,15,612	65,83,898	15,45,439
Contribution paid	(2,35,561)	(52,881)	(9,77,973)	(2,06,553)
Closing Net Liability	42,62,864	15,85,996	88,53,730	32,47,805

**Assumption**

Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	7.90%	7.87%	7.90%	7.87%
Future Salary Increase	8.00%	4.00%	8.00%	4.00%

**31 Lease Transactions : Accounting Standard 19  
As a Lessor in an Operating Lease**

**Fixed Assets:**

Plant & Machinery (Computer & Hardware ) include assets costing Rs. 14,77,26,595 ( Rs.15,10,03,147 ) (Gross Block) on operating lease contract.



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

The details of the assets given on operating lease are

	2015-2016	2014-2015
	Rs.	Rs
	Comp & Hardware	Comp & Hardware
Gross carrying amount	14,77,26,595	15,10,03,147
Accumulated Depreciation	11,17,91,561	8,80,05,388
Depreciation recognised in Statement of Profit & Loss for the year	2,60,31,587	2,99,76,081

Maturity Pattern of the Gross / Present Value of MLP receivables.		
	2015-2016	2014-2015
	Rs.	Rs
Not later than one year	1,30,98,831	2,17,96,233
Later than one year and not later than five years	10,32,191	1,22,67,199
Later than five years	-	-
Total	<u>1,41,31,022</u>	<u>3,40,63,432</u>



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

**As a Lessee in an Operating Lease**

	2015-2016 Rs.	2014-2015 Rs
(a) The total amount of future minimum lease payments under non cancellable operating leases for each of the following period:		
(i) not later than one year	-	-
(ii) later than one year and not later than five years:	-	-
(iii) later than five years:	-	-
(b) The total of future minimum sublease payments expected to be received under non cancellable sublease at the Balance Sheet date:	-	-
(c) Lease payments recognised in the statement of Profit and Loss for the period , with separate amounts for minimum lease payments and contingent rents:	-	-
(d) Sub-Lease payments received (or receivable) recognised in the Statement of Profit & Loss for the period:	-	-
(e) A general description of the lessee`s significant leaseing arrangements including , but no limited to the following;		
(i) The basis on which contingent rent payments are determind ;		
(ii) The existence and terms of renewal or purchase options and escalation clauses and		
(iii) Restrictions imposed by lease arrangements, such as those concerning dividends , additional debt, and further leaseing.		

**32 Auditors Remuneration**

	2015-2016 Rs.	2014-2015 Rs
Audit Fees	96,619	78,652
Tax Audit Fees	51,546	16,854
Other Matters	45,750	66,856
TOTAL	1,93,915	1,62,362



**eSense Learning Private Limited**  
**Notes on Financial Statements for the year ended 31st March, 2016**

**33** The Company has adopted AS 22 issued by The Institute of the Chartered Accountants of India. Company has net Deferred tax assets as on 31.03.2016. Deferred tax asset arising mainly on account of unabsorbed depreciation and carried forward losses under tax laws has not been considered for recognition in absence of virtual certainty that such future taxable income shall be available against which deferred tax assets can be realised. Accordingly such deferred tax asset has not been recognised in the accounts of the company.

**34** Details Of Provisions, Utilised, Written Back :

Particulars	As at 01.04.2015	Additions	Utilised/Written Back	As at 31.03.2016
Provision for Gratuity	15,85,996.00	26,76,868.00	0.00	42,62,864.00
Provision for Leave Salary Encashment	32,47,805.00	56,05,925.00	0.00	88,53,730.00
	<u>48,33,801.00</u>	<u>82,82,793.00</u>	<u>0.00</u>	<u>1,31,16,594.00</u>

**35** Previous year figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached hereto For & on behalf of the Board

For & on behalf of :

**GBCA & Associates**

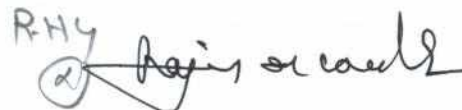
(Formerly Ghalla & Bhansali)

**Chartered Accountants**

Firm Registration Number 103142W



Haresh K.Chheda  
 Partner  
 Membership Number 38262

Shri R.H.Gala  
 Managing Director



Shri Harshil A.Gala  
 Director

Mumbai, 16th May ,2016

Mumbai, 16th May ,2016