

Esense Learning Private Limited

**Financials Statament for the year ended
31st March 2018**

To,
The Members of
Esense Learning Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Esense Learning Private Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (together referred to as Ind AS financial statements).

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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

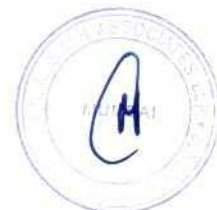
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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 of Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.



Independent Auditor's report (continued)**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March 2018, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The figures for the year ended 31st March 2017 are based on the previously issued Ind AS financial statements that were audited by the erstwhile auditors whose report dated 23rd May 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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 aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to adequacy of internal financial controls system over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in "Annexure B"; and



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

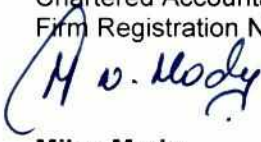
Independent Auditor's report (continued)

- 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, as amended from time to time, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the Ind AS 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 are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N.A Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149



Milan Mody

Partner

Membership No. 103286



Place: Mumbai

Date: 9th May 2018

N. A. SHAH ASSOCIATES LLP

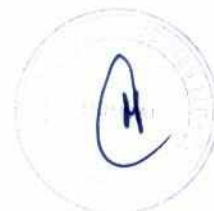
Chartered Accountants

Annexure A to the Independent Auditor's Report for the year ended 31st March 2018

[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (i) In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has physically verified all fixed assets during the year. In our opinion, frequency of verification is reasonable having regards to the size of the Company and nature of its assets. Material discrepancies were noticed on such verification which have been properly dealt with in the books of accounts.
 - c. According to the information and explanations given to us and on examination of the records, we report that the Company does not own any immovable property which is classified as fixed assets. Therefore, clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- (ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable. As per information and explanations given to us, the discrepancies noticed on physical verification between the physical stocks and the book records were material and the same have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, 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. Therefore, requirements of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order is not applicable to the Company.
- (iv) During the year the Company has not granted any loans or made any investments or provided any guarantees or securities covered under section 185 and section 186 of the Act. Therefore, question of ensuring compliance with section 185 and 186 of the Act does not arise.
- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits which are covered under section 73 to 76. Therefore, question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no Order relating to the Company has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities carried on by the Company. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and as per explanations given to us and on the basis of our examination of the records of the Company in respect of amounts deducted / accrued in the books of accounts, the Company has been regular in depositing undisputed statutory dues including, employees' state insurance, income tax, sales tax, goods and service tax, value added tax, cess and any other material statutory dues as applicable to the Company during the year with the appropriate authorities, except few delays in payment of provident fund, tax deduction at source and service tax. As at 31st March 2018, there are no such undisputable dues payable for a period of more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues in respect of provident fund, employees' state insurance, tax deduction at source, income tax, sales tax, service tax, goods and service tax, value added tax, cess and any other material statutory dues which have not been deposited with appropriate authorities on account of any dispute.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Annexure A to the Independent Auditor's Report (continued)

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders. The Company has not borrowed any money from government. Interest accrued on compulsorily convertible debentures of Rs. 2,206 is paid subsequent to year end.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of the clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of material fraud by the Company or on the Company by its employees / officers, nor have been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable Ind AS – Refer Note 31 to the Ind AS financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and on the basis of our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence compliance with Section 192 of the Act does not arise.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149

Milan Mody

Partner

Membership No. 103286



Place: Mumbai

Date: 9th May 2018

Annexure B to the Independent Auditor's Report for the year ended 31st March 2018

[Referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of **Esense Learning Private Limited** ("the Company"), as of 31st March 2018, in conjunction with our audit of the Ind AS 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 (the 'Guidance Note'), issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 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 ICAI. 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 judgment, 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.

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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Annexure B to the Independent Auditor's Report (continued)

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.

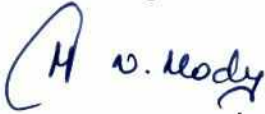
Opinion

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 31st March 2018, 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 ICAI.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149



Milan Mody

Partner

Membership number: 103286



Place: Mumbai

Date: 9th May 2018

(Amount in '000)

Particulars		Note No.	As at 31st March 2018	As at 31st March 2017
I	ASSETS			
	Non current assets			
	(a) Property, Plant and Equipment	3	7,706	17,309
	(b) Intangible assets	4	27,997	0
	(b) Intangible assets under development	5	12,616	-
	(c) Other non-current assets	6	7,894	4,467
	Total non-current Assets		56,213	21,776
	Current assets			
	(a) Inventories	7	8,129	14,607
	(b) Financial Assets			
	(i) Trade receivables	8	45,752	70,957
	(ii) Cash and cash equivalents	9	1,199	45,105
	(iii) Loans and advances	10	3,642	3,131
	(c) Other current assets	11	4,127	8,572
	Total current Assets		62,850	1,42,372
	TOTAL ASSETS		1,19,063	1,64,148
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	12	2,36,335	2,36,335
	(b) Other equity		(2,94,004)	(2,43,469)
	Total equity		(57,669)	(7,134)
	LIABILITIES			
	Non-Current liabilities			
	(a) Provisions	13	20,956	16,570
	Total non-current liabilities		20,956	16,570
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	1,33,426	1,28,039
	(ii) Trade and other payables	15		
	- Amount due to micro and small enterprises		583	-
	- Amount due to others		3,962	4,997
	(iii) Other financial liabilities	16	9,575	9,649
	(b) Other current liabilities	17	6,207	10,501
	(c) Provisions	18	2,024	1,525
	Total current liabilities		1,55,776	1,54,712
	TOTAL EQUITY AND LIABILITIES		1,19,063	1,64,148

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration Number - 116560W / W100149

H. V. Mody

Milan Mody

Partner

Membership Number: 103286

Place: Mumbai

Date: 9th May 2018



For & On behalf of the Board
of **Esense Learning Private Limited**

R.H.G.

Raju H. Gala

Raju H. Gala
Managing Director
DIN: 02096613

Amit K. Gala
CFO
DIN:01335267

ADB

Amit D. Buch
Company Secretary
Membership No.: A15239

Place: Mumbai

Date: 9th May 2018

Esense Learning Private Limited

Statement of Profit and Loss for the year ended 31st March 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Particulars		Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I	Revenue from operations	19	1,72,971	2,19,185
II	Other Income	20	1,839	414
III	Total Revenue (I + II)		1,74,810	2,19,599
IV	Expenses			
	Cost of materials consumed	21	4,828	25,162
	Purchase of stock-in-trade		4,115	4,182
	Changes in inventories of finished goods & stock-in-trade	22	6,185	2,401
	Employee benefits expense	23	88,825	88,130
	Finance costs	24	8,198	11,062
	Depreciation and amortization expense	25	17,621	19,853
	Other expenses	26	96,001	1,35,003
IV	Total expenses		2,25,772	2,85,794
V	Loss before tax (III - IV)		(50,963)	(66,195)
VI	Tax expense:	35		
	Current Tax		-	-
	Deferred Tax		-	-
VII	Loss for the year (V - VI)		(50,963)	(66,195)
VIII	Other comprehensive income:			
a)	(i) Items that will not be reclassified to profit or loss in subsequent year		430	(659)
	(ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
b)	(i) Items that will be reclassified to profit or loss in subsequent year		-	-
	(ii) Income tax relating to items that will be reclassified to profit & loss		-	-
VIII	Other comprehensive income / (loss) for the year, net of tax		430	(659)
IX	Total Comprehensive deficit for the year (VII + VIII) (Total of loss and other comprehensive income / (loss) for the year)		(50,533)	(66,853)
	Earnings per equity share of Rs. 10/- each	30		
	(1) Basic		(2.14)	(15.61)
	(2) Diluted		(2.14)	(15.61)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration Number - 116560W / W100149

M. V. Mody

Milan Mody

Partner

Membership Number: 103286

Place: Mumbai

Date: 9th May 2018



For & On behalf of the Board
of **Esense Learning Private Limited**

R.H.G. *Amit K. Gala*

Raju H. Gala
Managing Director
DIN: 02096613

Amit K. Gala
CFO
DIN: 01335267

A.D.B.

Amit D. Buch

Company Secretary

Membership No.: A15239

Place: Mumbai

Date: 9th May 2018

Esense Learning Private Limited

Statement of cash flow for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(50,963)	(66,195)
Adjustments for :		
Depreciation and amortization expenses	17,621	19,853
Discard of property, plant and equipment	8,323	-
(Profit) / Loss on sales of property, plant and equipment	-	3,136
Bad debts written off	22,509	800
Allowance for bad and doubtful debts	2,500	-
Changes in fair value of financial assets or liabilities	430	(659)
(Profit) / Loss on sales of investments	-	4,916
Finance Cost	8,198	11,062
Operating Profit before working capital changes:	8,618	(27,086)
Trade and Other Receivable	4,640	(6,794)
Inventories	6,478	2,266
Loans and Advances	(533)	(2,351)
Trade and other Payable	62	(136)
Cash Generated from Operations	19,265	(34,100)
Income Tax paid	(3,405)	(1,581)
Net Cash inflow / (outflow) to operating activities	15,860	(35,681)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, change in capital work-in-progress and intangible assets under development	(56,955)	(723)
Sale of property, plant and equipment	-	252
Sale of investment in equity shares	-	83
Net Cash inflow / (outflow) from investing activities	(56,955)	(388)
C CASH FLOW FROM FINANCING ACTIVITIES		
Working capital loan	5,000	1,20,000
Repayment of borrowings	-	(5,000)
Proceeds from issue of Debentures	-	2,650
Interest paid	(8,198)	(11,062)
Net Cash inflow / (outflow) to financial activities	(3,198)	1,06,588
Net increase / (decrease) in Cash and Cash Equivalents [A+B+C]	(44,293)	70,519
Cash and Cash Equivalents as at the beginning of the year	37,066	(33,453)
Cash and Cash Equivalents as at the end of the year	(7,227)	37,066
Net increase / (decrease) as mentioned above	(44,293)	70,519

Notes:

(a) The above cash flow statement has been prepared under Indirect Method set out in Ind AS 7 'Statement of Cash Flows'.

(b) For cash flow related notes refer Note 36.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration Number - 116560W / W100149

Milan Mody

Partner

Membership Number 103286

Place: Mumbai

Date: 9th May 2018

 For & On behalf of the Board
of Esense Learning Private Limited

Raju H. Gala
Managing Director
DIN: 02096613

Amit K. Gala
CFO
DIN:01335267

Amit D. Buch
Company Secretary
Membership No.: A15239
Place: Mumbai
Date: 9th May 2018


ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

1. Company overview, nature of entity's operations and its principal activities

Esense Learning Private Limited ('the Company') is a private limited company incorporated and domiciled in India. The registered office of the Company is located at Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, and Mumbai- 400028, India.

The Company is in the business of developing digital content and technology platforms for schools, teachers and students in India. It adopts new technologies and modifies them to meet the needs of teachers and students. It has launched its website TOPscorer.com, which is a revolutionary tool aimed at empowering minds by simplifying learning.

The financial statements of the Company for the year ended 31st March 2018 were approved and adopted by board of directors of the Company in their meeting dated 9th May 2018.

2. Basis of preparation

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has consistently applied the accounting policies used in the preparation for all periods presented in these financial statements.

b) Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest thousands.

c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- i) Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)
- ii) Defined benefit plans – plan assets measured at fair value

d) 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to 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 economic best 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.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

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

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

Level 1 - unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization 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 fair value hierarchy.

2.1 Significant Accounting Policies

a) Presentation and disclosure of financial statements

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013, for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and also the subsequent amendments which were notified during the year and applicable to the period. The Company has consistently applied the accounting policies used in the preparation of its financial statements.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business, i.e. eLearning solutions and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

b) Property, plant and equipment and depreciation

- i) Subsequent to transition to Ind AS, property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of property, plant and equipment includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.
- ii) Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

- iii) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.
- iv) Depreciation/amortization on property, plant and equipment/intangible assets
 - a) Depreciation on property, plant and equipment is provided on written down value over the useful life of the relevant assets, net of residual value, whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013, except in following cases:
 - computers given on lease are depreciated on straight line method for 5 years
 - Individual assets whose cost does not exceed ten thousand rupees has been provided fully in the year of capitalization.
 - b) In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
 - c) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.

c) Intangible assets and amortisation

- i) Acquired intangible assets:

Intangible assets are recognized when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. At initial recognition, intangible assets are recognized at cost. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss; if any.

Estimated useful life of intangible assets are as tabulated below:

Block	Useful life
Trademark	3 years
Software	3 years

- ii) Internally generated intangible assets:

Content and Technology platform development expenditure incurred where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Group, is considered as an intangible asset. Content and Technology platform development cost majorly include salaries related to contents and technology platform.

Estimated useful life of internally generated intangible assets are as tabulated below:

Block	Useful life
Content	Straight 25.00% from year in which project is capitalised
Technology Platform	Straight 33.33% from year in which project is capitalised

- iii) The useful lives and methods of amortisation of intangible assets are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

d) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of (a) fair value of assets less cost of disposal and (b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

e) Inventories

Inventories of the Company consists of Materials (pen drive, CD, packing materials etc.) and Finished Goods which are valued at the lower of cost and net realisable value. Costs include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs is determined based on weighted average basis.

f) 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 profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

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

(a) Debt instruments at amortized cost

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

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



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

(b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified at the FVTOCI if both of the following criteria are met

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

After initial measurement, such financial assets are subsequently measured at fair value and fair value movements are recognised in other comprehensive income. However interest income, impairment losses & reversal of impairment losses and foreign exchange gain or loss is recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest method.

(c) Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument at FVTPL.

(d) Equity instruments measured at fair value

All equity instruments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss except for those equity instruments for which the entity has elected to present value changes in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has not designated any equity instrument at FVTOCI.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- (a) The rights to receive cash flows from the asset have expired or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - i. The Company has transferred substantially all the risks and rewards of the asset or
 - ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model to the followings:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months ECL (ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date) or
- Full lifetime ECL (ECL that result from all possible default events over the life of the financial instruments)



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivable or contract revenue receivable and
- All lease receivable

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

Further individual trade receivables are provided / written off when management deems them not be collectible. 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) recognised during the period is recognised as expense / income in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortized 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 of assets. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the other comprehensive income.

B. Financial liabilities

(i) Initial recognition & measurement

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

(ii) Subsequent measurement

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

- Financial liability at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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 statement of profit and loss.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

Financial liabilities designated upon initial recognition at fair value through profit or loss 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 risk are recognised in other comprehensive income. These gains / loss are not subsequently transferred to statement of profit and loss. 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 profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

- Loans & borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

(iii) Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

C. Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

D. 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 realize the assets and settle the liabilities simultaneously.

E. Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services or goods provided in the normal course of business.

Sale of 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 returns, trade discount, rebate, value added taxes and goods and service taxes.

Income on providing technology equipment under long term contract is recognised on establishment of right to receive as per the terms of the contract.

Rental income on assets given under operating lease arrangements is recognised on a straight-line basis over the lease term of respective lease arrangement, as escalation rate for all lease transactions are in line with the normal inflationary rate. Rent incomes are recorded net of service tax / Goods and Service Tax.

Royalty income on copyright of contents is recognised as per the terms of the agreement.

h) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary assets and liabilities are translated at closing exchange rate. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

i) Employee benefits

i) Short term employee benefit

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

ii) Post-employment benefits

(a) Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Government Pension Fund. The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

(b) Defined benefit plan

The Company's obligation towards gratuity liability is not funded. The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The interest cost on defined benefit obligation is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

iii) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

j) Borrowing costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the Asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

k) Operating lease:

- i) Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.
- ii) Lease expenses / License fees income received on assets obtained / given under operating lease arrangements are recognised on a straight-line basis as an expense / income in the statement of profit and loss over the lease term of the respective lease arrangement. Straight line basis is not used when payments are structured so as to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

l) Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Cash flow statement

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



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

o) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

Possible inflows of Economic benefits to the entity that do not yet meet the recognition criteria of an asset are considered as contingent assets.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders of by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible instruments and it is included from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Segment reporting

The operating segments have been identified taking into account the nature of the products / services, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.2 Use of significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. 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.

The key assumptions concerning the future and other key sources of estimating 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.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment.

ii) 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, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations involve use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Impairment test of internally generated intangible assets:

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of future growth, discount rates etc. The company has prepared projections for next 5 years which have been used for the said calculations.

iv) Impairment of financial assets (including trade receivables)

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

v) Income taxes

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Currently, the Company has recognised the deferred tax on unused tax losses / unused tax credits only to the extent of the corresponding deferred tax liability. Any increase in probability of future taxable profit will result into recognition of unrecognised deferred tax assets.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

vi) Measurement of defined benefit plan & other long term benefits

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

2.3 New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1 st April 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1 st April 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1 st April 2018
Ind AS 28 – Investments in associates and joint ventures	1 st April 2018
Ind AS 40 – Investment property	1 st April 2018
Ind AS 112 – Disclosure of interest in other entities	1 st April 2018

* Does not include consequential modification to other existing Ind AS due to issue of new Ind AS.

The Company is assessing the detailed potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.



A. Equity Share Capital					(Amount in '000)	
Balance as at 31st March 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March 2018		
41,335	1,95,000	2,36,335	-	2,36,335		

Other Equity						(Amount in '000)
Particulars	Equity component of compulsorily convertible debentures [Refer note (a) below]	Reserves & Surplus		Other comprehensive income		Total other equity
		Debtenture Premium [Refer note (a) below]	Retained Earnings	Remeasurement of the net defined benefit plan		
Balance as at 31st March 2016	1,50,000	-	(1,77,479)	(1,787)		(29,266)
Net loss for the year		-	(66,195)	-		(66,195)
Premium on Debtenture Issue		475	-	-		475
Conversion of Debtenture into Equity	(1,50,000)	-	-	-		(1,50,000)
Issue of Compulsorily Convertible Debtentures	2,176	-	-	-		2,176
Re-measurement of the net defined benefit plan	-	-	-	(659)		(659)
Balance as at 31st March 2017	2,176	475	(2,43,674)	(2,445)		(2,43,469)
Net loss for the year	-	-	(50,963)	-		(50,963)
Interest accrued on CCD (classified under equity)	-	-	(2)	-		(2)
Re-measurement of the net defined benefit plan	-	-	-	430		430
Balance as at 31st March 2018	2,176	475	(2,94,638)	(2,016)		(2,94,004)

Notes:

- 0.1% 217,553 compulsorily convertible debentures of Rs. 10 each fully paid up at Rs.12.18 issued to Mr. Amit Gala (Director) on 2nd January 2017, convertible into equal number of equity shares. Mr. Amit Gala (Director) has irrevocable right to convert the CCD into equity shares at anytime after allotment.
- In the absence of profits available for distribution of dividend, the Company has not created Debtenture Redemption Reserve during the year. As the Company is not required to create Debtenture Redemption Reserve in the absence of profit, requirement of investment/ deposit in accordance with the Companies (Share Capital and Debtentures) Rules, 2014 (as amended from time to time) is not applicable.

As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

H. V. Mody
Milan Mody
Partner
Membership Number: 103286



Place: Mumbai
Date: 9th May 2018

For & On behalf of the Board
of **Esense Learning Private Limited**
R.H.1
Raj H. Gala
Raju H. Gala
Managing Director
DIN: 02096613

Amit K. Gala
Amit K. Gala
CFO
DIN: 01335267

Amit D. Buch
Amit D. Buch
Company Secretary
Membership No.: A15239

Place: Mumbai
Date: 9th May 2018

Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

3 Property, Plant and Equipment

(Amount in '000)

Description of Assets	Plant and Equipment - Lease	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
Gross Block as at 31st March 2016	1,47,727	21,345	2,137	1,132	1,72,340
Additions during the year 2016-17	-	539	408	10	956
Deduction / adjustments for 2016-17	63,739	-	-	-	63,739
Gross Block as at 31st March 2017	83,988	21,883	2,544	1,142	1,09,557
Additions during the year 2017-2018	6	6,459	247	547	7,259
Deduction / adjustments for 2017-2018	83,994	4,771	354	91	89,209
Gross Block as at 31st March 2018	-	23,572	2,436	1,598	27,606
Depreciation upto 31st March 2016	1,11,792	18,510	1,824	792	1,32,918
Depreciation for the year 2016-17	18,034	1,380	158	108	19,681
Deduction / adjustments for 2016-17	60,351	-	-	-	60,351
Depreciation upto 31st March 2017	69,475	19,890	1,982	900	92,248
Depreciation for the year 2017-2018	6,499	1,547	279	215	8,540
Deduction / adjustments for 2017-2018	75,974	4,629	197	87	80,887
Depreciation upto 31st March 2018	-	16,808	2,064	1,028	19,901
Net Block as at 31st March 2017	14,513	1,993	562	242	17,309
Net Block as at 31st March 2018	-	6,764	372	569	7,706

* Refer note 34 for disclosure relating to assets given on operating lease.



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

4 Intangible assets

(Amount in '000)

Description of Assets	Contents	Trade Mark	Software	Total
Gross block as at 1st April 2016	-	38,230	12,792	51,023
Additions during the year 2016-17	-	-	-	-
Deduction / adjustments for 2016-17	-	-	410	410
Gross Block as at 31st March 2017	-	38,230	12,383	50,613
Additions during the year 2017-2018	36,229	-	850	37,079
Deduction / adjustments for 2017-2018	-	-	-	-
Gross Block as at 31st March 2018	36,229	38,230	13,233	87,692
Depreciation upto 1st April 2016	-	38,230	12,620	50,850
Depreciation for the year 2016-17	-	-	172	172
Deduction / adjustments for 2016-17	-	-	410	410
Depreciation upto 31st March 2017	-	38,230	12,383	50,614
Depreciation for the year 2017-2018	9,057	-	24	9,081
Deduction / adjustments for 2017-2018	-	-	-	-
Depreciation upto 31st March 2018	9,057	38,230	12,407	59,695
Net Block as at 31st March 2017	-	-	0.00	0.00
Net Block as at 31st March 2018	27,172	-	826	27,997

- 4.1 During the year, there has been revamp in syllabus of certain academic standards in Gujarat and Maharashtra state. Consequently new contents developed has been capitalised or booked under intangible assets under development as it meets the criteria of Ind AS 38 'Intangible Assets'.

Also the Company has internally started developing technology platform to support these contents which also satisfies conditions given in Ind AS 38 for capitalisation as intangible assets. As at year end, these technology platforms are under development and hence cost incurred upto year end is grouped as intangible assets under development in note 5.

Impairment test for costs of contents and technology platform, capitalised or booked as under development, has been carried out by the management based on the projections as approved by the Chief Executive Officer. The net present value of the future earnings based on the projections is higher than the carrying value of the contents. Some of the assumptions based on which projections are prepared based on market estimates and management judgements which

- 4.2 Details of remaining amortization period and carrying value of intangible assets is as under:

Description	Carrying amount as at [Amount in Rs.]		Remaining useful life as at [in months]	
	31.Mar.18	31.Mar.17	31.Mar.18	31.Mar.17
Software	826	0.000	35	Nil
Content	27,172	-	36	Nil
Total	27,998	0		

5 Intangible assets under development

(Amount in '000)

Description of Assets	Content	Technology Platform	Total
As at 1st April 2016	-	-	-
Additions during the year 2016-17	-	-	-
Capitalised to intangible assets	-	-	-
As at 31st March 2017	-	-	-
Additions during the year 2017-18	6,947	5,669	12,616
Capitalised to intangible assets	-	-	-
As at 31st March 2018	6,947	5,669	12,616



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
6	Other Non Current Assets (Considered Good)		
	a) Advance Income Taxes (Net of Provisions)	7,634	4,229
	b) Loans and advances to Employees	-	62
	c) Sales Tax refund receivable	111	34
	d) Deposit with customers	100	100
	e) Other Income Receivable	49	42
	Total	7,894	4,467
7	Inventories (valued at lower of cost or estimated net realisable value)		
	Materials (pen drive, CD, packing materials etc.)	236	529
	Finished Goods	7,277	8,415
	Stock in Trade	616	5,663
	Total	8,129	14,607
7.1	During the year, amount of Rs. 6,707 Thousand (Previous Year: Rs. 1,585 Thousand) was recognised as an expense for		
8	Current Financial Assets - Trade receivables		
	Break-up for security details:		
	Secured, considered good	-	-
	Unsecured, considered good	45,752	70,957
	Doubtful	2,500	-
		48,252	70,957
	Less: Allowance for bad and doubtful debts and credit losses (Refer note 38)	(2,500)	-
		45,752	70,957
9	Current Financial Assets - Cash and cash equivalents		
	a) Balance with Scheduled Banks - In Current Account	959	44,875
	b) Cash on hand	240	230
	Total	1,199	45,105
10	Current Financial Assets - Loans And Advances (considered good)		
	a) Tender and deposits	3,426	3,131
	b) Loan and advances to employee	216	-
	Total	3,642	3,131
11	Other current assets (considered good)		
	a) Advances to suppliers	1,271	7,818
	b) SAD (custom) receivable	268	285
	c) Sales tax deposit	-	15
	e) Goods and Service Tax / Sales Tax receivable (net)	1,989	287
	f) Service tax refund receivable	-	1
	g) Prepaid expenses	600	165
	Total	4,127	8,572



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

12 SHARE CAPITAL**AUTHORISED :**

(Amount in '000)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of Rs.10/- each fully paid up	2,50,00,000	2,50,000	2,50,00,000	2,50,000
Total		2,50,000		2,50,000

ISSUED, SUBSCRIBED & PAID UP :

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of Rs.10/- each fully paid up	2,36,33,500	2,36,335	2,36,33,500	2,36,335
Total		2,36,335		2,36,335

12.1 Reconciliation of the number of Equity Shares outstanding

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning of the year	2,36,33,500	2,36,335	41,33,500	41,335
Add: Shares Issued	-	-	1,95,00,000	1,95,000
Less: (Shares Cancelled / Buy Back)	-	-	-	-
Number of Shares at the end of the year	2,36,33,500	2,36,335	2,36,33,500	2,36,335

12.2 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 all rank *pari passu*.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up).

12.3 Equity Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Navneet Education Limited (Holding Company and ultimate holding company)	2,36,33,500	100	2,36,33,500	100

12.4 Aggregate number of shares allotted as fully paid up pursuant to contract (s) without payment being received in cash during the period of five years immediately preceding the reporting date :

Particulars	As at 31st March'2018	As at 31st March'2017	As at 31st March'2016	As at 31st March'2015	As at 31st March'2014
Equity Shares of Rs.10/- each fully paid up	-	1,95,00,000	-	-	-
Total	-	1,95,00,000	-	-	-

Note: In previous year, shares were issued to holding company in pursuant to the scheme of conversion of 1,50,00,000 debenture of Rs.10/- each and conversion of outstanding Inter-corporate Deposits into 45,00,000 equity shares without payment being received in cash.



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Note Particulars No.	As at 31st March, 2018	As at 31st March, 2017
---------------------------------	-----------------------------------	-----------------------------------

13 Non-Current liabilities - Provisions

Provision for Employee Benefit		
Gratuity (Refer note 33 (b)(i))	6,962	5,859
Leave Encashment (Refer note 33 (b)(ii))	13,993	10,711
Total	20,956	16,570

14 Current Financial Liabilities - Borrowings

Unsecured		
i) Cash Credit from Bank (Refer note 14.1 below)	8,426	8,039
ii) Working Capital Rupee Loans repayable on demand from banks (Refer note 14.1 below)	1,25,000	1,20,000
Total	1,33,426	1,28,039

14.1 Holding company has given financial guarantee of Rs 165,000 thousands against working capital loan and cash credit facility taken by the Company.

15 Current Financial Liabilities - Trade and other payables

- Due to Micro, Small and Medium Enterprises (Refer note 15.1)	583	-
- Due to Others	3,962	4,997
Total	4,545	4,997

15.1 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 2018 based on available information with the Company which are as under:

Particulars	2017-18	2016-17
Principal amount due and remaining unpaid	583	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

16 Other financial liabilities

Employee benefits payable	5,063	4,452
Creditors for capex	732	231
Refundable deposit received from customers	1,695	2,266
Provision for expenses	2,082	1,254
Creditors for expenses	-	1,446
Interest accrued on CCD (classified under Equity)*	2	-
Total	9,575	9,649

* paid subsequent to year end



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Note Particulars No.	As at 31st March, 2018	As at 31st March, 2017
17 Other current liabilities		
Advances received from customers	2,529	3,665
Advance received against right to use hardware	542	3,504
Statutory Dues		
- Provident fund / ESIC / Profession tax	1,985	1,029
- Tax deducted at source	1,018	697
- Service tax payable	-	0
- Goods and Service Tax / Sales tax / VAT payable	132	1,605
Total	6,207	10,501
18 Short-term provisions		
Provision for Employee Benefit		
Gratuity (Refer note 33 (b)(i))	711	543
Leave Encashment (Refer note 33 (b)(ii))	1,313	982
Total	2,024	1,525



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Note No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
19	Revenue from operations		
	Sale of products	1,53,239	1,86,452
	Sale of services	19,732	32,733
	Total	1,72,971	2,19,185
20	Other Income		
	Sundry credit balances written back	1,759	-
	Interest Income	9	251
	Other non-operating income	71	163
	Total	1,839	414
21	Cost of materials consumed		
	Raw Materials Consumed	4,828	25,162
	Total	4,828	25,162
22	Changes in inventories of finished goods and Stock-in-Trade		
	Closing Stock		
	Finished Goods	7,277	8,415
	Stock in Trade	616	5,663
		<u>7,893</u>	<u>14,078</u>
	Opening Stock		
	Finished Goods	8,415	10,885
	Stock in Trade	5,663	5,594
		<u>14,078</u>	<u>16,479</u>
	Total	6,185	2,401
23	Employee benefits expense		
	Salaries, Wages & Bonus	79,948	78,092
	Contribution to Provident and Other Funds	6,625	6,161
	Staff Welfare	2,252	3,878
	Total	88,825	88,130
24	Finance costs		
	Interest expenses	8,198	11,062
	Total	8,198	11,062
25	Depreciation and amortization expense		
	Depreciation of Property, Plant & Equipment (Refer note 3)	8,540	19,681
	Amortisation of intangible assets (Refer note 4)	9,081	172
	Total	17,621	19,853



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

(Amount in '000)

Note No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
26	Other expenses		
	Auditor's remuneration (Refer note 29)	146	201
	Printing expenses	1,185	1,233
	Electricity expenses	1,173	1,327
	Manufacturing expenses	6,300	27,741
	Rates & taxes	324	381
	Sales tax expenses	40	82
	Rent	5,702	4,280
	Royalty	-	399
	Building repairs & maintainance	902	1,172
	Other repairs	1,757	2,570
	Insurance	15	4
	Transportation expenses	1,589	1,421
	Commission	2,154	-
	Advertisement	284	42,652
	Marketing expenses	14,406	11,297
	Sales promotion expenses	19,355	24,778
	Loss on sale / discard of property, plant and equipment	8,323	3,136
	Bad debts and other irrecoverable advance written off	22,509	800
	Provision for expected credit loss	2,500	-
	Bank charges	52	131
	Legal and professional fees	344	313
	Staff recruitment expenses	1,200	571
	Exchange difference (Net)	3	4
	Loss on sale of investments	-	4,916
	Other expenses	5,738	5,593
	Total	96,001	1,35,003



27 Capital and other Commitments:

Estimated amounts of contracts remaining to be executed on capital accounts and not provided for in the accounts are Rs. Nil (Previous year Rs. Nil). However, the Company is in the process of development of new contents and technology platform as on 31st March 2018. Refer note 5 for intangible assets under development as on 31st March 2018.

28 Contingencies and litigations:

Income tax department has made certain disallowances in return of income filed for Assessment Year 2012-13 to Assessment Year 2015-16 and reduced the losses claimed by the Company aggregating to Rs. 35,777 thousands. These have been disputed and the matter is pending before ITAT / CIT (appeals). In the opinion of the management there would not any cash flow on account of the said pending matters.

29 Auditors Remuneration:

(Amount in '000)

Particulars	2017-18	2016-17
Payment to auditor as:		
a) auditor	100	99
b) for tax matters	46	55
c) for other services	-	47
Total	146	201

30 Earning Per Share (EPS):

Particulars	2017-18	2016-17
Net loss after tax before other comprehensive income available for Equity Shareholders	(5,09,62,659)	(6,61,94,655)
Weighted average number of equity shares for basic and diluted EPS (in numbers)	2,38,51,053	42,39,972
Basic and Diluted EPS (Rs.)	(2.14)	(15.61)
Face Value Per Equity Share (Rs.)	10.00	10.00

Note: As per para 23 of Ind AS 33, mandatorily convertible instrument should be considered for basic EPS from the date of the contract. Accordingly, compulsory convertible debentures issued by the Company has been considered for the calculation of basic EPS.

31 Related party disclosure**31.1 List of related parties and relationships:**

Nature of relationship	Name of the relative
Holding Company (also Ultimate holding company)	Navneet Education Limited
Key Managerial Personnel (KMP) (only where there are transactions)	Harshil A. Gala (Director) Amit K. Gala (Chief Executive Officer and Director)

31.2 Disclosure in respect of transactions with related parties during the year :

Refer Annexure A to the financial statement attached herewith.

32 Segment Information

There are no reportable segments under Ind AS-108 'Operating Segments' as all the activities relate to only one segment i.e. sale of educational contents in digital form (along with necessary equipments). Further CEO of the Company is also reviewing the results / operations of the Company as single segment.

33 Disclosure pursuant to Indian Accounting Standard 19 'Employee benefits':

- (a) The Company has recognised the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

(Amount in '000)

Particulars	2017-2018	2016-2017
Provident Fund	941	937
Government Pension Fund	2,133	2,128
Employee State Insurance Corporation	1,278	949
Labour Welfare Fund	25	14
Total	4,376	4,029



(b) Brief description of the defined benefit plans and other long term benefits:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of Rs. 2,000 thousands (Previous year Rs. 1,000 thousands). Vesting occurs upon completion of five continuous years of service in accordance with Payment of Gratuity Act, 1972. The Company has not funded its Gratuity obligation.

Leave benefits are payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Company's policy and it is unfunded. Further employees can utilize earned leaves balances against the absences.

i) Gratuity (unfunded):

(Amount in '000)

Particulars	2017-18	2016-17
Change in Obligation		
Opening fair Value	6,402	4,263
Current Service Cost including actuarial gain / (loss)	1,225	2,126
Past Service Cost (vested benefits) *	15	-
Interest Cost	424	324
Benefits Paid	(393)	(311)
Closing fair value	7,674	6,402
* Due to increase in gratuity limit from Rs. 1,000 thousands to Rs. 2,000 thousands		

Change in Plan Asset		
Opening Fund Balance	-	-
Contribution paid	393	311
Benefits paid during period	(393)	(311)
Closing Fund Balance	-	-

Reconciliation of present value of obligation and plan asset.		
Closing Fund Balance	-	-
Closing fair value of obligation	7,674	6,402
Net Liability recognized in balance sheet	(7,674)	(6,402)

Expense recognized in the statement of P & L		
Current Service Cost	1,655	1,467
Interest Cost	424	324
Past Service Cost (vested benefits) *	15	-
Expenses Return on Plan Asset /Actuarial gain / (Loss)	(430)	659
Expense recognized in the statement of P&L	1,665	2,450
* Due to increase in gratuity limit from Rs. 1,000 thousands to Rs. 2,000 thousands		

Other Comprehensive Income (OCI)		
Actuarial (Gain) / Loss recognized	(430)	659
Total Actuarial (Gain) / Loss recognized in OCI	(430)	659

Movement in the Liability recognized in Balance Sheet		
Opening Net Liability	6,402	4,263
Expense as above	2,095	1,791
Contribution paid	(393)	(311)
Other Comprehensive Income (OCI)	(430)	659
Closing Net Liability	7,674	6,402

Assumption		
Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	7.30%	6.84%
Future Salary Increase	8.00%	8.00%

Sensitivity analysis:

PVO	2017-18		2016-17	
	Discount rate	Escalation rate	Discount rate	Escalation rate
1%	6,965	8,462	5,788	7,085
1%	8,512	6,991	7,131	5,812



ii) Leave encashment (unfunded):

(Amount in '000)

Particulars	2017-18	2016-17
Change in Obligation		
Opening fair Value	11,693	8,854
Current Service Cost including actuarial gain / (loss)	4,044	2,990
Interest Cost	759	667
Benefits Paid	(1,190)	(818)
Closing fair value	15,306	11,693

Change in Plan Asset		
Opening Fund Balance	-	-
Return on the plan Asset	-	-
Contribution paid	1,190	818
Benefits paid during period	(1,190)	(818)
Closing Fund Balance	-	-

Reconciliation of present value of obligation and plan asset.		
Closing Fund Balance	-	-
Closing fair value of obligation	15,306	11,693
Net Liability recognized in balance sheet	(15,306)	(11,693)

Expense recognized in the statement of P & L		
Current Service Cost	6,708	4,618
Interest Cost	759	667
Expenses Return on Plan Asset / Actuarial gain / (Loss)	(2,664)	(1,628)
Expense recognized in the statement of P&L	4,803	3,657

Movement in the Liability recognized in Balance Sheet		
Opening Net Liability	11,693	8,854
Expense as above	4,803	3,657
Contribution paid	(1,190)	(818)
Closing Net Liability	15,306	11,693

Sensitivity analysis:

PVO	2017-18		2016-17	
	Discount rate	Escalation rate	Discount rate	Escalation rate
Present value obligation on increase by	13,944	16,822	10,617	12,893
Present value obligation on decrease by	16,913	13,996	12,969	10,660

Assumption		
Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	7.30%	6.84%
Future Salary Increase	8.00%	8.00%

34 Leases
As a Lessor in an Operating Lease:

- (a) The details of the assets (Computer and hardware grouped under Plant and equipment in note 3) given on operating lease are:

(Amount in '000)

Particulars	2017-2018	2016-2017
Gross carrying amount	-	83,988
Accumulated depreciation	-	69,475
Depreciation recognised in Statement of Profit & Loss for the year	6,499	18,034

- (b) Future Minimum Lease:

(Amount in '000)

Particulars	2017-2018	2016-2017
Not later than one year	542	1,273
Later than one year and not later than five years	-	-
Later than five years	-	-



35 Income taxes

Particulars	(Amount in '000)	
	2017-2018	2016-2017
Deferred tax liability		
Depreciation / Amortization	-	1,553
	-	1,553
Deferred tax asset (refer note 35.1 below)		
Unabsorbed tax losses and Carry forward depreciation	-	1,553
	-	1,553
Net deferred tax assets	-	-

35.1 As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In the previous year, the Company had recognised deferred tax assets to the extent of deferred tax liability considering lower probability of taxable profit in near future against which unused tax losses can be utilised.

There are no deferred tax liability to be accounted in the current year. Further, the Company has not recognised deferred tax assets in the current year considering lower probability of taxable profit in near future against which unused tax losses can be utilised.

35.2 Details of tax losses:

The Company is having carry forward depreciation losses as at 31st March 2018 of Rs. 1,71,788 thousands (Previous year: Rs. 1,58,720 thousands) which doesn't have any expiry date and carry forward business losses as on 31st March 2018 is Rs. 93,699 thousands (Previous year: Rs. 73,945 thousands) which will be expired in next 1 to 8 years (Previous year : 1 to 8 years). Considering losses incurred during last two years, these assets are not recognised in financial statements.

35.3 No provision for tax has been made, as the Company has incurred tax loss during the year and there are brought forward losses under income tax. As stated above, the Company has recognised deferred tax assets to the extent of deferred tax liability and hence other disclosure related to tax reconciliation etc. is not required to be given.

36 Cash flow statement

36.1 Aggregate outflow on account of direct taxes paid is Rs. 3,405 Thousand (Previous year Rs. 1,581 Thousand).

36.2 Reconciliation of cash and cash equivalents as per cash flow statement:

Particulars	(Amount in '000)	
	2017-2018	2016-2017
Cash & Cash Equivalents (Note 9)	1,199	45,105
Cash Credit from Bank (Note 14)	(8,426)	(8,039)
Balances as per statement of cash flow	(7,227)	37,066

36.3 Changes in financing activities arising from cash and non-cash changes:

Particulars	(Amount in '000)			
	As at 31st March 2018	Cash flows	Non-cash changes	As at 31st March 2017
Working capital loan	1,25,000	5,000	-	1,20,000
Total	1,25,000	5,000	-	1,20,000

37 Fair value of financial assets and liabilities

The management has assessed the values of financial asset and financial liabilities on the basis of their amortized costs which approximate their carrying amounts.

Fair value hierarchy

The following table presents the financial assets and financial liabilities by level with measurement hierarchy :

Particulars	March 31, 2018		31 March 2017	
	Level of input used in*	Carrying Amount	Level of input used in*	Carrying Amount
Financial assets				
At Amortised Cost				
Trade receivables	NA	45,752	NA	70,957
Cash and cash equivalents	NA	1,199	NA	45,105
Financial liabilities				
At Amortised Cost				
Working Capital Rupee Loans repayable on demand from banks	NA	1,25,000	NA	1,20,000
Cash credit from Bank	NA	8,426	NA	8,039
Trade payables	NA	4,545	NA	4,997

* Level is NA, since valued at amortised cost in current and previous year and hence disclosure on transfer from level 1 to level 2 during the year is not applicable.

38 Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below :

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk primarily include trade receivables, trade payables, cash and cash equivalents.

The sensitivity analysis in the following sections relate to the position for the periods presented. The sensitivity analysis has been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on the carrying values of gratuity obligation and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held at the periods presented.

Interest rate management

Under the Company's interest rate management policy, interest rates on Borrowings denominated in Indian Rupees are maintained on a floating rate basis. The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Amount in '000)

Loan / Borrowing	Change in Interest Rate	Effect on profit before tax
March 31, 2018	Increase by 100 basis points (100 bps)	1,314
	Decrease by 100 basis points (100 bps)	-1,314
March 31, 2017	Increase by 100 basis points (100 bps)	1,267
	Decrease by 100 basis points (100 bps)	-1,267

Also, the Borrowings from the Bank is guaranteed by a bank Guarantee issued by it's Holding Company 'Navneet Education Limited'.

Foreign currency risk

The Company does not have any obligation that are dominated in any foreign currency and hence is not exposed to any kind risk emanating from fluctuation in foreign exchange rate.

Equity risk

The Company does not have any equity investments and hence doesn't carry any equity risk.

Price risk

The Company is not exposed to any significant price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets.

Trade receivables:

An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company evaluates the concentration of risk with respect to trade receivables as low. Out of total trade receivables balance as at 31st March 2018, there are no customers from whom receivables are more than 10%.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The ageing of trade receivable and credit loss allowance is as under:

(Amount in '000)

Particulars	Ageing		Total
	Upto 6 months	More than 6 months	
As at 31st March 2018			
Secured	-	-	-
Unsecured	23,765	24,487	48,252
Total receivables	23,765	24,487	48,252
Allowance for doubtful receivables	-	-	2,500
Net Receivables	23,765	24,487	45,752
Expected loss rate *			5.18%
As at 31st March 2017			
Secured	-	-	-
Unsecured	16,316	54,641	70,957
Total receivables	16,316	54,641	70,957
Allowance for doubtful receivables	-	-	-
Net Receivables	16,316	54,641	70,957
Expected loss rate *			0.00%

* Expected loss rate includes both allowance made based on age of the receivable and expected loss based on historical experience.

Movement in credit loss allowance

(Amount in '000)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Balance at the beginning	-	-
Additional provision	2,500	-
Amounts written off	-	-
Balance at the end	2,500	-

Deposits with banks and other financial assets:

Credit risk from balances with banks and financial institutions is managed by the Company's the internal team in accordance with the Company's policy and and reviewed annually by the CEO.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unexpected losses. The Company's objective is to, at all times maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount in '000)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Total
Year ended March 31, 2018				
Term loan from Bank	-	1,25,000	-	1,25,000
Cash credit from Bank	1,685	6,741	-	8,426
Trade payables	4,545	-	-	4,545
Year ended March 31, 2017				
Term loan from Bank	-	1,20,000	-	1,20,000
Cash credit from Bank	1,608	6,431	-	8,039
Trade payables	4,997	-	-	4,997

The Company is not exposed to significant liquidity risk.

39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, free reserves and credit balance inof the statement of Profit and Loss. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Fixed cost bearing securities including Loan Obligation.

(Amount in '000)

Particulars	31st March, 2018	31st March, 2017
Borrowings	1,33,426	1,28,039
Less: Cash and cash equivalents	(1,199)	(45,105)
Net debt	1,32,227	82,934
Equity *	2,36,335	2,36,335
Capital and Net debt	3,68,562	3,19,269
Gearing Ratio	35.88%	25.98%

* does not include debit balance of the Statement of Profit and Loss

- 40 Even though the net-worth of the Company is fully eroded and liability (current & non-current) is exceeding assets (current & non-current), the financial statements of the Company is prepared on going concern basis considering the financial support from the holding company. Further, the Company has detailed plans and projections (including launch of new products, technology platform etc.) based on which management is confident of making profits in near future and the Company will realize its assets and discharge liabilities in the normal
- 41 Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- 42 Previous year figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration Number - 116560W / W100149

M. V. Mody

Milan Mody

Partner

Membership Number: 103286

Place: Mumbai

Date: 9th May 2018



For & On behalf of the Board
of **Esense Learning Private Limited**

R.H.G.

Raju H. Gala
Managing Director
DIN: 02096613

Amit K. Gala
CFO
DIN: 01335267

A.D.B.
Amit D. Buch
Company Secretary
Membership No.: A15239
Place: Mumbai
Date: 9th May 2018

Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2018

CIN: U72200MH2008PTC181531

Annexure A to the financial statement

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Amount in '000)

Sr.No	Nature of Transaction	2017-2018		2016-2017	
		Holding Company (also Ultimate holding)	Key Managerial Personnel (KMP)	Holding Company (also Ultimate holding)	Key Managerial Personnel (KMP)
A.	Transactions during the year:				
1	Sale of goods and services Navneet Education Limited	18,651	-	23,052	-
2	Purchase of goods Navneet Education Limited	20	-	9,890	-
3	Rent paid Navneet Education Limited	5,251	-	3,767	-
4	Remuneration Harshil Anil Gala (Director) Amit K. Gala (Chief Executive officer and	- -	943 4,946	- -	594 1,931
5	Loan repayment Navneet Education Limited	-	-	10,000	-
6	Equity share issue (refer note 12.4) Navneet Education Limited	-	-	1,95,000	-
7	Loan received Navneet Education Limited	-	-	5,000	-
8	Debenture issued Amit K. Gala	-	-	-	2,650
9	Interest accrued on Compulsory Convertible Debentures ('CCD') (classified under equity) Amit K. Gala	-	2	-	-
B.	Closing balances as at year end:				
1	Equity component of CCD (including Amit K. Gala	-	2,650	-	2,650
2	Interest accrued on CCD (classified under equity) Amit K. Gala	-	2	-	-

Notes:

- The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel which does not include provisions made for employee benefits.
- Cash credit and working capital loan of the Company is secured by corporate guarantee given by holding company amounting to Rs. 1,65,000 Thousand (Previous Year: Rs. 1,65,000 Thousand). Refer note 14.1.
- Accrued post employment & long term benefits to KMP is not included in Directors remuneration since it is calculated on actuarial basis for the Company and separate figures are not available.
- Terms and conditions of related party transaction:
 - For terms and conditions relating to CCD, refer note (a) given in Statement of Changes in Equity.
 - Outstanding balances at the year end are unsecured.
 - All transactions are made on normal commercial terms and conditions at market rates.

