eSense Learning Private Limited

Standalone financials for the year ended 31st March 2017

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GBCA & ASSOCIATES Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of "eSense Learning Private Limited"

Report on the Financial Statements

We have audited the accompanying standalone financial statements of eSense Learning Private Limited ("the **Company**"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement, the Statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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. 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 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 accounting estimates made by the Company's directors, as well as evaluating the overall presentation of 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Loss including other comprehensive income, its cash flows and Statement of Changes in Equity for the year ended on that date.

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Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") ,as amended, issued by the Central Government of India in terms of section 143(11) of the Companies Act 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and beliefs 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 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 prescribed under Section 133 of the Act.
   e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Act; and
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has no pending litigations on the financial position in its financial statements as of 31st March, 2017
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of account maintained by the Company.

For **GBCA & Associates**
Chartered Accountants
(FRN: 103142W)

Haresh K Chheda
Partner
Membership Number: 38262

Place: Mumbai
Date: 23rd May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date to the financial statements of the Company for the year ended 31st March, 2017)

1 (a) As per the information and explanations given to us, the Fixed Assets register showing full particulars including quantitative details and situation of Fixed Assets is compiled by the Company.

(b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion the intervals for verification are reasonable having regard to the size of the Company and nature of its assets. Discrepancies noticed on such verification have been properly dealt with in the books of accounts.

(c) The title deeds of immovable properties are held in the name of the company.

2 The inventory has been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. As per the information and explanations given to us, discrepancies noticed on physical verification between the physical stocks and book records were not material and the same have been properly dealt with in the books of accounts.

3 The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4 In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees, and security.

5 The Company has not accepted any deposits during the year from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

6 According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7 (a) According to the information and explanation given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, employee's state insurance, income tax, VAT, service tax, duty of customs, cess and others as applicable have been regularly deposited by the company during the year with appropriate authorities. As on March 31, 2017, there are no such undisputed dues payable for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no material dues outstanding of VAT, income tax, custom duty, service tax, excise duty and cess, which have not been deposited on account of any dispute.

8 According to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders during the year.

9 Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

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11 Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12 In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13 In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14 Based upon the audit procedures performed and the information and explanations given by the management, the company has issued fully compulsory convertible debentures during the year and the requirement of section 42 of the Companies Act, 2013 have been complied with. The amount raised has been used for the purposes for which the funds were raised.

15 Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16 In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **GBCA & Associates**
Chartered Accountants
(FRN: 103142W)

GBCA & ASSOCIATES MUMBAI Chartered Accountants

Haresh K Chheda
Partner
Membership Number: 38262

Place: Mumbai
Date: 23rd May, 2017

"Annexure B" to the Independent Auditor's Report of even date on the standalone Financial Statements of eSense Learning Private Limited

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

We have audited the internal financial controls over financial reporting of **eSense Learning Private Limited ("the Company")**, as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

Commensurate to the size and nature of the business, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GBCA & Associates**
Chartered Accountants
(FRN: 103142W)

GBCA & ASSOCIATES MUMBAI Chartered Accountants

Haresh K Chheda
Partner
Membership Number: 38262

Place: Mumbai
Date: 23rd May, 2017

eSense Learning Private Limited

Balance Sheet as at 31st March, 2017

CIN: U72200MH2008PTC181531

(Amount in Rs.)

	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I	**ASSETS**				
	Non current assets				
	(a) Property, Plant and Equipment	1	1,73,08,482	3,94,22,034	6,67,42,944
	(b) Intangible assets	2	-	1,72,182	7,72,549
	(c) Financial Assets				
	(i) Investments	3	-	49,99,800	49,99,800
	(d) Other non-current assets	4	43,66,735	29,24,356	26,48,346
	Current assets				
	(a) Inventories	5	1,46,06,846	1,68,73,030	1,77,63,129
	(b) Financial Assets				
	(i) Trade and other receivables	6	7,09,57,336	7,19,84,265	9,11,38,889
	(ii) Cash and cash equivalents	7	4,51,05,081	60,42,574	38,16,457
	(iii) Other bank balances	8	1,00,000	1,00,000	1,24,863
	(iv) Loans and advances	9	31,31,341	6,42,160	5,40,160
	(c) Other current assets	10	85,71,776	15,51,081	26,41,259
	TOTAL		**16,41,47,596**	**14,47,11,482**	**19,11,88,395**
I	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share capital	11	23,63,35,000	4,13,35,000	4,13,35,000
	(b) Other equity		(24,34,68,833)	(2,92,66,107)	1,78,61,199
	LIABILITIES				
	Non-Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12	-	5,00,00,000	9,70,00,000
	(b) Provisions	13	1,65,69,865	1,20,59,089	47,37,087
	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	12,80,39,318	3,94,95,386	58,46,953
	(ii) Trade and other payables	15			
	- Amount due to micro and small enterprises		-	-	-
	- Amount due to others		49,97,268	30,07,096	15,26,477
	(iii) Other financial liabilities	16	73,83,402	1,25,96,301	49,59,714
	(b) Other current liabilities	17	1,27,66,603	1,44,27,212	1,78,25,251
	(c) Provisions	18	15,24,974	10,57,505	96,714
	TOTAL		**16,41,47,596**	**14,47,11,482**	**19,11,88,395**

Significant Accounting Policies and Notes to Financial Statements — 1 to 41

As per our report of even date attached hereto

For GBCA & Associates
Chartered Accountants
Firm Registration Number 103142W

Haresh K. Chheda
Partner
Membership Number 38262
Mumbai : 23rd May 2017

GBCA & ASSOCIATES MUMBAI Chartered Accountants

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

Amit K.Gala
Director
DIN:01335267

Harshil A. Gala
Director
DIN:05106963

Mumbai : 23rd May 2017

eSense Learning Private Limited
Statement of Profit and Loss for the year ended 31st March, 2017
CIN: U72200MH2008PTC181531

(Amount in Rs.)

	Particulars	Note No.	For the year ended 31st March 2017 RS	For the year ended 31st March 2016 RS
I	Revenue from operations	19	22,12,77,938	19,62,00,587
II	Other Income	20	(27,22,444)	14,34,658
III	**Total Revenue (I + II)**		**21,85,55,494**	**19,76,35,245**
IV	**Expenses**			
	Cost of materials consumed	21	2,51,61,922	1,72,15,144
	Purchase of stock-in-trade		41,82,858	70,72,908
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	24,01,100	8,58,543
	Employee benefits expense	23	8,81,29,963	8,49,47,603
	Finance costs	24	1,10,62,101	86,13,181
	Depreciation and amortization expense	25	1,98,52,989	2,88,73,157
	Other expenses	26	13,39,58,938	9,53,95,249
IV	**Total expenses**		**28,47,49,870**	**24,29,75,786**
V	Loss before tax (III - IV)		(6,61,94,376)	(4,53,40,540)
VI	Tax expense:			
	Current Tax		-	-
	Deferred Tax		-	-
	Add/(Less) : (Excess)/Short Provision of earlier year written back/written off		-	-
			-	-
VII	**Loss for the year (V - VI)**		**(6,61,94,376)**	**(4,53,40,540)**
VIII	Other Comprehensive Income:			
a)	(i) Items that will not be reclassified to profit or loss in subsequent year		(6,58,614)	(17,86,766)
	(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 for the year, net of tax		(6,58,614)	(17,86,766)
IX	**Total Comprehensive deficit for the year (VII + VIII) (Total of loss and other comprehensive income for the year)**		**(6,68,52,990)**	**(4,71,27,306)**
	Earnings per equity share of Rs. 10/- each (Rs. 10/- each)	29		
	(1) Basic		(15.81)	(10.97)
	(2) Diluted		(15.81)	(2.36)

Significant Accounting Policies and Notes to Financial Statements 1 to 41

As per our report of even date attached hereto

For GBCA & Associates
Chartered Accountants
Firm Registration Number 103142W

GBCA & ASSOCIATES MUMBAI Chartered Accountants

Haresh K. Chheda
Partner
Membership Number 38262
Mumbai : 23rd May 2017

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

Amit K.Gala
Director
DIN:01335267

Harshil A. Gala
Director
DIN:05106963

Mumbai : 23rd May 2017

eSense Learning Private Limited Lower Parel, Mumbai 400 013. India at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

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 if 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.

c. 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.

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eSense Learning Private Limited Lower Parel, Mumbai 400 013. India

3.11. 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 and other costs that the company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.12. Leases

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.

3.13. 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.

3.14. 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.

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eSense Learning Private Limited

3.15. 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.

3.16. Provisions and contingent liabilities

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 embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made.

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.

3.17. Earnings per share

Basic earnings per equity share is computed by dividing the net profit (after tax) for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit (after tax) for the year attributable to the equity shareholders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.18. Segment reporting

The Company manufactures educational content which constitutes single business segment in accordance with Ind AS 108 'Operating Segments'. Accordingly necessary information is furnished in financial statements.

eSense Learning Private Limited

Statement of Changes in Equity for the Year ended 31st March, 2017
CIN: U72200MH2008PTC181531

A. Equity Share Capital

Balance at 01 April 2015		Changes in equity share capital during the year 2015-16	Balance at 31 March 2016	Changes in equity share capital during the year 2016-17	Balance at 31 March 2017
4,13,35,000		-	4,13,35,000	19,50,00,000	23,63,35,000

B. Other Equity

Particulars	Equity component of compulsorily convertible debentures	Reserves & Surplus		Other comprehensive income	Total other equity
		Debenture Premium	Retained Earnings	Remeasurement of the net defined benefit	
Balance as at 01 April 2015 [Refer note 39(3)]	15,00,00,000	-	(13,21,38,801)	-	1,78,61,199
Net loss for the year		-	(4,53,40,540)	-	(4,53,40,540)
Re-measurement of the net defined benefit plan		-	-	(17,86,766)	(17,86,766)
Balance as at 31st March 2016	**15,00,00,000**	**-**	**(17,74,79,341)**	**(17,86,766)**	**(2,92,66,107)**
Net loss for the year		-	(6,61,94,376)	-	(6,61,94,376)
Premium on Debenture Issue [Refer Note (ii)]		4,74,734	-	-	4,74,734
Conversion of Debenture into Equity [Refer Note (i)	(15,00,00,000)				(15,00,00,000)
Issue of Compulsorily Convertible Debentures [Refer Note (ii)]	21,75,530				21,75,530
Re-measurement of the net defined benefit plan		-	-	(6,58,614)	(6,58,614)
Balance as at 31st March 2017	**21,75,530**	**4,74,734**	**(24,36,73,717)**	**(24,45,380)**	**(24,34,68,833)**

Note (i): 0.1% 1,50,00,000 compulsorily convertible debentures of Rs 10 each fully paid up, issued on 28th November, 2015 has been converted into 1,50,00,000 equity shares of Rs 10 each on 31st March, 2017.

Note (ii) :0.1% 2,17,553 compulsorily convertible debentures of Rs 10 each fully paid up at Rs 12.18 issued to Mr. Amit Gala (Director) on 2nd January, 2017 for a period of 5 years.

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eSense Learning Private Limited

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Notes on Financial Statements for the year ended 31st March, 2017

1 Property, Plant and Equipment

Description of Assets	Plant and Equipment -Lease	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
Gross block as at 1st April'2015	15,10,03,147	1,96,85,708	18,96,655	10,98,237	17,36,83,747
Additions during the year 2015-16	3,92,807	16,59,071	2,39,996	33,508	23,25,382
Deduction / adjustments for 2015-16	36,69,359	(0)	-	-	36,69,358
Gross block as at 31st March'2016	**14,77,26,595**	**2,13,44,779**	**21,36,651**	**11,31,745**	**17,23,39,770**
Additions during the year 2016-17	-	5,38,575	4,06,905	9,888	9,55,368
Deduction / adjustments for 2016-17	6,37,38,876	-	-	-	6,37,38,876
Gross block as at 31st March'2017	**8,39,87,719**	**2,18,83,354**	**25,43,556**	**11,41,633**	**10,95,56,262**

Depreciation upto 1st April'2015	8,80,05,388	1,66,39,929	16,46,555	6,48,930	10,69,40,803
Depreciation for the year 2015-16	2,60,31,587	19,20,415	1,77,409	1,43,379	2,82,72,790
Deduction / adjustments for 2015-16	22,45,414	50,444	-	-	22,95,858
Depreciation upto 31st March'2016	**11,17,91,561**	**1,85,09,901**	**18,23,965**	**7,92,309**	**13,29,17,736**
Depreciation for the year 2016-17	1,80,34,364	13,80,421	1,58,208	1,07,813	1,96,80,806
Deduction / adjustments for 2016-17	6,03,50,763	-	-	-	6,03,50,763
Depreciation upto 31st March'2017	**6,94,75,163**	**1,98,90,322**	**19,82,173**	**9,00,122**	**9,22,47,779**

Net Block as at 31st March'2017	**1,45,12,556**	**19,93,032**	**5,61,383**	**2,41,511**	**1,73,08,482**
Net Block as at 31st March'2016	3,59,35,034	28,34,878	3,12,686	3,39,436	3,94,22,034
Net Block as at 1st April'2015	6,29,97,758	30,45,779	2,50,100	4,49,307	6,67,42,944

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Notes on Financial Statements for the year ended 31st March, 2017

2 Intangible assets

Description of Assets	Trade Mark	Software	Total
Gross block as at 1st April'2015	3,82,30,235	1,27,92,266	5,10,22,501
Additions during the year 2015-16	-	-	-
Deduction / adjustments for 2015-16	-	-	-
Gross block as at 31st March'2016	3,82,30,235	1,27,92,266	5,10,22,501
Additions during the year 2016-17	-	-	-
Deduction / adjustments for 2016-17	-	-	-
Gross block as at 31st March'2017	**3,82,30,235**	**1,27,92,266**	**5,10,22,501**

Depreciation upto 1st April'2015	3,82,30,235	1,20,19,717	5,02,49,952
Depreciation for the year 2015-16	-	6,00,366	6,00,366
Deduction / adjustments for 2015-16	-	-	-
Depreciation upto 31st March'2016	**3,82,30,235**	**1,26,20,083**	**5,08,50,318**
Depreciation for the year 2016-17	-	1,72,182	1,72,182
Deduction / adjustments for 2016-17	-	-	-
Depreciation upto 31st March'2017	**3,82,30,235**	**1,27,92,266**	**5,10,22,501**

Net Block as at 31st March'2017	-	-	-
Net Block as at 31st March'2016	-	1,72,182	1,72,182
Net Block as at 1st April'2015	-	7,72,549	7,72,549

2.1 Remaining useful life of intangible assets

Description	Carrying amount as at [Amount in Rs.]		Remaining useful life as at [in months]	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Trade Mark	-	-	Nil	Nil
Software	-	1,72,182	Nil	10
Total	-	**1,72,182**		

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Notes on Financial Statements for the year ended 31st March, 2017

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015
3	**Non Current Financial Assets - Investments**			
	(Valued at Cost less other than temporary diminution in value, if any)			
	Unquoted Investments			
(a)	Investment in Equity instruments			
	In Others			
	a) Wings Intellect Private Limited Nil (31st March 2016: 8,333, 1st April 2015:8,333) Equity shares of Rs.600 each fully paid up	-	49,99,800	49,99,800
	Total	-	49,99,800	49,99,800
	Aggregate amount of unquoted investments	-	49,99,800	49,99,800
4	**Other Non Current Assets**			
	(Unsecured - Considered Good)			
	a) Advance Income Taxes (Net of Provisions)	42,28,739	26,48,176	23,68,023
	b) Loans and advances to Employees	62,000	68,000	55,000
	c) Sales Tax/VAT receivable	34,017	1,74,817	2,25,323
	d) Other Income Receivable	41,979	33,363	-
	Total	43,66,735	29,24,356	26,48,346
5	**Inventories**			
	(valued at lower of cost or estimated net realisable value)			
	Stores, Spares & Consumables	5,24,728	3,71,470	2,33,338
	Raw Materials	4,173	22,516	1,92,203
	Finished Goods	84,14,787	1,08,84,947	95,78,605
	Stock in Trade	56,63,158	55,94,097	77,58,983
	Total	1,46,06,846	1,68,73,030	1,77,63,129

5.1 During the year, Rs,15,85,112 (31st March 2016 : Rs.4,03,858, 1st April 2015 : Rs 4,29,437) was recognised as an expense for invent

5.2 Also refer note 14.1 with respect to Hypothecation of inventories.

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015
6	**Current Financial Assets - Trade and other receivables**			
	Trade and other receivables	7,09,57,336	7,19,84,265	9,11,38,889
	Receivables from related parties (Refer note 30)	-	-	-
	Total	7,09,57,336	7,19,84,265	9,11,38,889
	Break-up for security details:			
	Secured, considered good	-	-	-
	Unsecured, considered good	7,09,57,336	7,19,84,265	9,11,38,889
	Doubtful	-	-	-
		7,09,57,336	7,19,84,265	9,11,38,889
7	**Current Financial Assets - Cash and cash equivalents**			
	a) Balance with Scheduled Banks			
	- In Current Account	4,48,74,755	58,52,760	35,69,055
	b) Cash on hand	2,30,326	1,89,814	2,47,402
	Total	4,51,05,081	60,42,574	38,16,457
8	**Other bank balances**			
	Fixed Deposits	1,00,000	1,00,000	1,24,863
	Total	1,00,000	1,00,000	1,24,863
9	**Current Financial Assets - Loans And Advances**			
	(Unsecured, considered good)			
	a) Tender and deposits	31,31,341	6,42,160	5,40,160
	Total	31,31,341	6,42,160	5,40,160
10	**Other current assets**			
	a) Advances to suppliers	78,18,477	2,81,913	5,70,926
	b) SAD (custom) receivable	2,85,275	2,90,899	3,97,495
	c) Sales tax deposit	15,000	15,000	15,000
	d) Loan and advances to employee	-	5,000	86,000
	e) Service tax refund receivable	761	-	-
	f) Prepaid expenses	1,65,201	5,91,312	9,23,536
	g) Others	2,87,062	3,66,957	6,48,303
	Total	85,71,776	15,51,081	26,41,259

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(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015

11 SHARE CAPITAL

AUTHORISED :

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April,2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of Rs.10/- each fully paid up	2,50,00,000	25,00,00,000	50,00,000	5,00,00,000	50,00,000	5,00,00,000
		25,00,00,000		5,00,00,000		5,00,00,000

ISSUED,SUBSCRIBED & PAID UP :

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April,2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of Rs.10 each fully paid up	2,36,33,500	23,63,35,000	41,33,500	4,13,35,000	41,33,500	4,13,35,000
Total		**23,63,35,000**		**4,13,35,000**		**4,13,35,000**

11.1 Reconciliation of the number of Equity Shares outstanding

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning of the yea	41,33,500	4,13,35,000	41,33,500	4,13,35,000	41,33,500	4,13,35,000
Add: Shares Issued	1,95,00,000	19,50,00,000	-	-	-	-
Less: (Shares Cancelled / Buy Back)	-	-	-	-	-	-
Number of Shares at the end of the year	2,36,33,500	23,63,35,000	41,33,500	4,13,35,000	41,33,500	4,13,35,000

11.2 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*.

11.3 Equity Shareholders holding more than 5 % of the shares

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Navneet Education Limited	2,36,33,500	100	41,33,500	100	41,33,500	100

11.4 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 :-

(Number of Shares)

Particulars	As at 31st March'2017	As at 31st March'2016	As at 31st March'2015	As at 31st March'2014	As at 31st March'2013
Equity Shares of Rs.10/- each fully paid up	1,95,00,000	-	-	-	-
Total	**1,95,00,000**	-	-	-	-

Note: Shares are issued in pursuant to the scheme of conversion of 1,50,00,000 debenture of Rs.10 each and conversion of outstanding ICD into 45,00,000 equity shares without payment being received in cash.

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Notes on Financial Statements for the year ended 31st March, 2017

(Amount in Rs.)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015
12	**Non-current Financial Liabilities - Borrowings**			
	Unsecured			
	a) From related party (holding company) (Refer note 12.1):			
	Navneet Education Limited			
	i) Other advances	-	5,00,00,000	9,70,00,000
	Total	**-**	**5,00,00,000**	**9,70,00,000**

12.1 During the year, the Compulsory Convertible Debentures of Rs. 150,000,000 and loan taken from holding to the extent of Rs.45,000,000 have been converted to equity investment.

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015
13	**Non-Current liabilities - Provisions**			
	Provision for Employee Benefit			
	Gratuity (Refer note 34 (b))	58,59,171	39,18,990	15,54,479
	Leave Encashment (Refer note 34 (b))	1,07,10,694	81,40,099	31,82,608
	Total	**1,65,69,865**	**1,20,59,089**	**47,37,087**
14	**Current Financial Liabilities - Borrowings**			
	a) Secured			
	i) Cash Credit from Bank (Refer note 14.1 below)	80,39,318	3,94,95,386	58,46,953
	ii) Working Capital Rupee Loans repayable on demand from banks (Refer note 14.1 below)	12,00,00,000	-	-
	Total	**12,80,39,318**	**3,94,95,386**	**58,46,953**

14.1 Secured against hypothecation & first charge over stock of work-in-process, finished goods, stores & spares not relating to plant and machinery & book debts.
Also bank guarantee is given by the holding company of Rs 16,50,00,000/-

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015
15	**Current Financial Liabilities - Trade and other payables**			
	- Due to Micro, Small and Medium Enterprises (Refer note 15.1 belo	-	-	-
	- Due to Others	49,97,268	30,07,096	15,26,477
	Total	**49,97,268**	**30,07,096**	**15,26,477**

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 2016 based on available information with the Company which are as under:

Particulars	**2016-17**	**2015-16**	**2014-15**
Principal amount due and remaining unpaid	-	-	-
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	-	-	-

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April,2015
16	**Other financial liabilities**			
	Employee benefits payable	44,52,309	38,37,784	26,45,307
	Creditors for capex	2,31,193	(0)	98,818
	Provision for expenses	12,53,646	16,52,325	6,03,059
	Creditors for expenses	14,46,256	71,06,193	16,12,530
	Total	**73,83,402**	**1,25,96,301**	**49,59,714**
17	**Other current liabilities**			
	Advances received from customers	36,65,301	38,90,193	25,77,714
	Advance received against right to use hardware	35,03,932	49,07,984	88,66,952
	Deposit received from customers	22,66,000	34,24,000	48,49,000
	Statutory Dues			
	- Providend fund / ESIC / Profession tax	10,28,968	7,11,240	6,02,640
	- Tax deducted at source	6,97,047	13,77,273	8,94,034
	- Service tax payable	20	264	6,464
	- Sales tax / VAT payable	16,05,334	1,16,258	28,447
	Total	**1,27,66,603**	**1,44,27,212**	**1,78,25,251**
18	**Short-term provisions**			
	Provision for Employee Benefit			
	Leave Encashment (Refer note 34 (b))	9,82,370	7,13,631	65,197
	Gratuity (Refer note 34 (b))	5,42,604	3,43,874	31,517
	Total	**15,24,974**	**10,57,505**	**96,714**

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Notes on Financial Statements for the year ended 31st March, 2017

Note No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
19	**Revenue from operations**		
	Sale of products	20,08,99,893	17,68,44,400
	Sale of services	3,27,32,947	3,01,91,819
		23,36,32,840	20,70,36,219
	Less: Sales Tax Collected	(1,23,54,902)	(1,08,35,632)
	Total	**22,12,77,938**	**19,62,00,587**
20	**Other Income**		
	Interest Income	2,51,416	68,293
	Other non-operating income	(29,73,860)	13,66,365
	Total	**(27,22,444)**	**14,34,658**
21	**Cost of materials consumed**		
	Raw Materials Consumed	2,51,61,922	1,72,15,144
	Total	**2,51,61,922**	**1,72,15,144**
22	**Changes in inventories of finished goods, Stock-in -Trade and work-in- progress**		
	Closing Stock		
	Finished Goods	84,14,787	1,08,84,947
	Stock in Trade	56,63,158	55,94,097
		1,40,77,945	1,64,79,044
	Opening Stock		
	Finished Goods	1,08,84,947	95,78,605
	Stock in Trade	55,94,097	77,58,983
		1,64,79,044	1,73,37,588
	Total	**24,01,100**	**8,58,543**
23	**Employee benefits expense**		
	Salaries, Wages & Bonus	7,80,91,647	7,63,34,766
	Contribution to Provident and Other Funds	61,60,527	52,83,154
	Staff Welfare	38,77,788	33,29,683
	Total	**8,81,29,963**	**8,49,47,603**
24	**Finance costs**		
	Interest expenses	1,10,62,101	86,13,181
	Total	**1,10,62,101**	**86,13,181**
25	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (Refer note 1	1,96,80,806	2,82,72,790
	Amortisation of intangible assets (Refer note 2)	1,72,182	6,00,366
	Total	**1,98,52,989**	**2,88,73,157**

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Notes on Financial Statements for the year ended 31st March, 2017

Note No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
26	**Other expenses**		
	Auditor's remuneration (Refer note 28)	2,00,634	3,07,018
	Printing expenses	12,33,061	18,42,625
	Electricity expenses	13,26,988	18,18,333
	Manufacturing expenses	2,77,40,861	1,76,88,345
	Rates & taxes	3,81,346	5,10,554
	Sales tax expenses	81,888	3,05,431
	Rent	42,80,437	55,03,554
	Royalty	3,99,480	8,92,546
	Building repairs & maintainance	11,72,202	9,27,682
	Other repairs	25,69,558	19,37,065
	Insurance	4,453	4,368
	Transportation expenses	14,20,610	21,95,146
	Commission	-	9,06,850
	Advertisement	4,26,52,285	39,88,716
	Marketing expenses	1,12,96,981	1,06,72,897
	Sales promotion expenses	2,47,78,276	2,45,85,364
	Discount & rebate	20,92,608	13,09,837
	Bad debts and other irrecoverable advance written off	7,99,774	1,21,15,630
	Bank charges	1,31,022	1,96,587
	Legal and professional fees	3,13,253	21,87,454
	Staff recruitment expenses	5,70,607	6,26,166
	Exchange difference (Net)	3,632	7,034
	Loss on sale of investments	49,16,470	-
	Other expenses	55,92,511	48,66,047
	Total	**13,39,58,938**	**9,53,95,249**

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Notes on Financial Statements for the year ended 31st March, 2017

27 Contingent liabilities

There are no contingent liabilities as at year end.

28 Auditors Remuneration:

(Amount in Rs.)

Particulars	2016-17	2015-16
Payment to auditor as:		
a) auditor	98,952	1,48,165
b) for tax matters	54,626	1,13,103
c) for other services	47,056	45,750
Total	**2,00,634**	**3,07,018**

29 Earning Per Share :

(Amount in Rs.)

Particulars	2016-17	2015-16
Net loss available for Equity Shareholders as per statement of profit and loss	(6,61,94,376)	(4,53,40,540)
Add: Interest on Convertible Debentures	530	1,50,000
Net loss available for Equity Shareholders as per statement of profit and loss	(6,61,93,846)	(4,51,90,540)
Weighted average number of equity shares for basic EPS (in numbers)	41,86,925	41,33,500
Effect of dilution:		
Convertible Debentures	53,047	1,50,00,000
Weighted average number of Equity shares adjusted for the effect of dilution	42,39,972	1,91,33,500
Basic Earning per share (Rs.)	(15.81)	(10.97)
Diluted Earning per share (Rs.)	(15.61)	(2.36)
Face Value Per Equity Share (Rs.)	10.00	10.00

30 Related party disclosure

A. List of related parties with whom transactions have taken place and relationships:

Sr. No.	Nature of relationship	Name of the relative
(i)	Holding Company	Navneet Education Limited
(ii)	Key Managerial Personnel (KMP)	Harshil A. Gala
		Amit K. Gala

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Notes on Financial Statements for the year ended 31st March, 2017

30 Related party disclosure

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

Sr.No	Nature of Transaction/ Relationship / Major Parties	2016-2017		2015-2016	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	**Sale of Goods and Services**	2,30,51,878		55,37,818	
	Holding Company:				
	Navneet Education Limited		2,30,51,878		55,37,818
2	**Purchase of Goods and Services**	1,61,82,852		1,57,39,264	
	Holding Company:				
	Navneet Education Limited		1,36,57,244		1,51,25,256
	KMP & their Relative:				
	Harshil Anil Gala		25,25,608		6,14,008
3	**Loan Repayment**	1,00,00,000		4,70,00,000	
	Holding Company:				
	Navneet Education Limited		1,00,00,000		4,70,00,000
4	**Equity Share Issue**	19,50,00,000		-	
	Holding Company:				
	Navneet Education Limited		19,50,00,000		-
5	**Loan Received**	50,00,000		-	
	Holding Company:				
	Navneet Education Limited		50,00,000		-
6	**Debenture Issued**	26,50,264		-	
	KMP & their Relative:				
	Amit K. Gala		26,50,264		-
C.	**Closing balances as at year end:**				
1	**Loans & Advances Recoverable**				
	Holding Company:	-		5,00,00,000	
	Navneet Education Limited		-		5,00,00,000
2	**Liabilities**				
	In Debentures				
	Shri Amit K.Gala	26,50,264	26,50,264	-	-

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Notes on Financial Statements for the year ended 31st March, 2017

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

Particulars	Raw Material	
	%	Amount in Rs.
Imported	0%	-
	-	-
Indigeneous	100%	2,51,61,922
	(100)	(1,72,15,144)
Total	**100%**	**2,51,61,922**
	(100)	(1,72,15,144)

32 C.I.F. value of imports

(Amount in Rs.)

Particulars	2016-17	2015-16
Trading Goods	3,91,694	4,55,832
Total	**3,91,694**	**4,55,832**

33 Segment Information

(a) Factors used to identify the entity's reportable segments:
The Company has only one business segment 'manufactures of educational content'.

(b) Segment information in accordance with Ind AS 108 'Operating Segments'
As the Company has only one segment, information about reported segment profit or loss including specified revenues and expenses included in reported segment profit or loss, segment assets, segment liabilities and the basis of measurement is not

34 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 Rs.)

Particulars	2016-17	2015-16
Provident Fund	9,37,493	8,50,941
Government Pension Fund	21,28,199	19,33,792
Employee State Insurance Corporation	9,48,902	10,13,208
Labour Welfare Fund	14,304	13,920
Total	**40,28,898**	**38,11,861**

(b) Defined benefit plan and long term employment benefits: Gratuity (non-funded)

(Amount in Rs.)

Particulars	31/03/2017	31/03/2016	31/03/2015
Change in Obligation			
Opening fair Value	42,62,864	15,85,996	9,23,265.00
Current Service Cost including actuarial gain / (loss)	21,25,632	27,96,880	6,34,001.00
Interest Cost	3,24,474	1,15,549	81,611.00
Benefits Paid	(3,11,195)	(2,35,561)	-52,881.00
Closing fair value	64,01,775	42,62,864	15,85,996
Change in Plan Asset			
Opening Fund Balance	-	-	
Return on the plan Asset	-	-	
Contribution paid	3,11,195	2,35,561	52,881
Benefits paid during period	(3,11,195)	(2,35,561)	(52,881)
Closing Fund Balance	-	-	
Reconciliation of present value of obligation and plan asset.			
Closing Fund Balance	-	-	-
Closing fair value	-	-	-
Net Liabilty	64,01,775	42,62,864	15,85,996
Liability recognized in balance sheet	64,01,775	42,62,864	15,85,996
Expense recognized in the statement of P & L			
Current Service Cost	14,67,018	10,10,114	4,39,073.00
Interest Cost	3,24,474	1,15,549	81,611
Expenses Return on Plan Asset /Actuarial gain / (Loss)	6,58,614	17,86,766	1,94,298.00
Expense recognized in the statement of P&L	24,50,106	29,12,429	7,14,982
Other Companehensive Income (OCI)			
Actuarial (Gain) / Loss recognized	6,58,614	17,86,766	0.00
Asset Limit effect	-	-	0.00
Retrun of Plan Asset excluding net interest	-	-	0.00
Unrecognized Actuarial (Gain) Loss from Preious period	-	-	0.00
Total Acturarial (Gain) Loss recognized in OCI	6,58,614	17,86,766	-

eSense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2017

Movement in the Liability recognized in Balance Sheet			
Opening Net Liability	42,62,864	15,85,996	9,23,265
Expense as above	17,91,492	11,25,663	7,14,982
Contribution paid	(3,11,195)	(2,35,561)	(52,881)
Other Companehensive Income (OCI)	6,58,614	17,86,766	-
Closing Net Liability	64,01,775	42,62,864	15,85,366
Sensitivity analysis:			
PVO	**Discount rate**	**Escalation rate**	
PVR DR+1%	57,87,830	70,84,582	
PVR DR-1%	71,31,173	58,11,512	

Assumption			
Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	6.84%	7.90%	7.87%
Future Salary Increase	8.00%	8.00%	4.00%

(c) Defined benefit plan and long term employment benefits: Leave encashment (non-funded)

(Amount in Rs.)

Particulars	31/03/2017	31/03/2016	31/03/2015
Change in Obligation			
Opening fair Value	88,53,730	32,47,805	19,08,919
Current Service Cost including actuarial gain / (loss)	29,90,068	63,66,779	13,81,126
Interest Cost	6,67,139	2,17,119	1,64,313
Benefits Paid	(8,17,873)	(9,77,973)	(2,06,553)
Closing fair value	1,16,93,064	88,53,730	32,47,805
Change in Plan Asset			
Opening Fund Balance	-	-	0
Return on the plan Asset	-	-	0
Contribution paid	8,17,873	9,77,973	2,06,553
Benefits paid during period	(8,17,873)	(9,77,973)	(2,06,553)
Closing Fund Balance	-	-	
Reconciliation of present value of obligation and plan asset.			
Closing Fund Balance	-	-	-
Closing fair value	-	-	-
Net Liabilty	1,16,93,064	88,53,730	32,47,805
Liability recognized in balance sheet	1,16,93,064	88,53,730	32,47,805
Expense recognized in the statement of P & L			
Current Service Cost	46,18,000	35,89,040	11,25,840
Interest Cost	6,67,139	2,17,119	1,64,313
Expenses Return on Plan Asset /Actuarial gain / (Loss)	(16,27,932)	27,77,739	2,55,286
Expense recognized in the statement of P&L	36,57,207	65,83,898	15,45,439
Movement in the Liability recognized in Balance Sheet			
Opening Net Liability	88,53,730	32,47,805	19,08,919
Expense as above	36,57,207	65,83,898	15,45,439
Contribution paid	(8,17,873)	(9,77,973)	(2,06,553)
Closing Net Liability	1,16,93,064	88,53,730	32,47,805
Sensitivity analysis:			
PVO	**Discount rate**	**Escalation rate**	
PVR DR+1%	1,06,16,972	1,28,93,082	
PVR DR-1%	1,29,69,176	1,06,60,277	

Assumption			
Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	6.84%	7.90%	7.87%
Future Salary Increase	8.00%	8.00%	4.00%

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35 Leases

A. As a Lessor in an Operating Lease:

(a) The details of the assets (Computer and hardware grouped under Plant and equipment in note 1) given on operating lease are:

Particulars	2016-2017	2015-2016
Gross carrying amount	8,39,87,719	14,77,26,595
Accumulated depreciation	6,94,75,163	11,17,91,561
Depreciation recognised in Statement of Profit & Loss for the year	1,80,34,364	2,60,31,587

(b) Future Minimum Lease Payment:

Particulars	2016-2017	2015-2016
Not later than one year	12,72,541	1,30,98,831
Later than one year and not later than five years	-	10,32,191
Later than five years	-	-
Total	**12,72,541**	**1,41,31,022**

36 The Company has adopted Ind AS 12 issued by Ministry of Corporate Affairs (MCA). The Company has net Deferred tax assets as on 31st March 2017. Deferred tax asset arising mainly on account of unabsorbed depreciation and carried forward losses under tax laws has not been considered as it is not probable that taxable profits will be available against which the deductible temporary difference will be utilised. Accordingly such deferred tax asset has not been recognised in the accounts of the Company.

37 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30th March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016.The denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	64,500	35,692	1,00,192
(+) Permitted receipts	-	2,40,296	2,40,296
(-) Permitted payments		1,22,943	1,22,943
(-) Amount deposited in Banks	64,500	-	64,500
Closing cash in hand as on 30.12.2016	-	**1,53,045**	**1,53,045**

Notes:

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

38 Financial risk Management

eSense Learning Private Limited continues to deploy a well articulated risk management framework. This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.

(i) **Enterprise risk** : The company continue to evaluate the risk and also ensures that the mitigation processes are in place.

(ii) **Process risk** management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes in all key activities across the various businesses.

(iii) **Compliance risk** management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations, with a comprehensive reporting process that cascades upwards from the accountable business line executives to Audit Committee and then on to the Board of Directors.

The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the Audit Committee and the Board of Directors are continuously incorporated to capture new risks and update the existing ones. All three dimensions of eSnese Learning Private Limited Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the Audit Committee for detailed review. The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

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eSense Learning Private Limited

eSense Learning Private Limited

39 Disclosures as required by Indian Accounting Standard (Ind As) 101 'First Time Adoption Of Indian Accounting Standards':

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant

A. Exemptions applied

(a) Deemed Cost

Ind AS 101 permits to measure all its property, plant & equipments & Intangible assets at their previous GAAP carrying value i.e. being deemed cost represented by Gross Block reduced by accumulated depreciation on April 01, 2015.

On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2015 as the deemed cost of the property, plant & equipment under Ind AS.

B. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance sheet as at April 1, 2015 and March 31, 2016
II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016
III. Reconciliation of Equity as at April 1, 2015 and March 31, 2016

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

(a) Reconciliation of equity as at 31 March 2016

(Amount in Rs.)

	Particulars	Note No.	IGAAP (A)	Adjustments (B)	Ind AS (A+B)
I	**ASSETS**				
	Non current assets				
	(a) Property, Plant and Equipment	1	3,94,22,034	-	3,94,22,034
	(b) Intangible assets	2	1,72,182	-	1,72,182
	(c) Financial Assets				
	(i) Investments	3	49,99,800	-	49,99,800
	(d) Other non-current assets	4	29,24,356	-	29,24,356
	Current assets				
	(a) Inventories	5	1,68,73,030	-	1,68,73,030
	(b) Financial Assets				
	(i) Trade and other receivables	6	7,19,84,265	-	7,19,84,265
	(ii) Cash and cash equivalents	7	60,42,574	-	60,42,574
	(iii) Other bank balances	8	1,00,000	-	1,00,000
	(iv) Loans and advances	9	6,42,160	-	6,42,160
	(c) Other current assets	10	15,51,081	-	15,51,081
					-
	TOTAL		**14,47,11,482**	-	**14,47,11,482**
					-
II	**EQUITY AND LIABILITIES**				
	Equity				-
	(a) Equity Share capital	11	4,13,35,000	-	4,13,35,000
	(b) Other equity		(17,92,66,107)	15,00,00,000	(2,92,66,107)
	LIABILITIES				
	Non-Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12	20,00,00,000	(15,00,00,000)	5,00,00,000
	(b) Provisions	13	1,20,59,089	-	1,20,59,089
	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	3,94,95,386	-	3,94,95,386
	(ii) Trade and other payables	15	-	-	-
	- Amount due to micro and small enterprises		-	-	-
	- Amount due to others		30,07,096	-	30,07,096
	(iii) Other financial liabilities	16	1,25,96,301	-	1,25,96,301
	(b) Other current liabilities	17	1,44,27,212	-	1,44,27,212
	(c) Provisions	18	10,57,505	-	10,57,505
					-
	TOTAL		**14,47,11,482**	-	**14,47,11,482**

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eSense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2017

39 Disclosures as required by Indian Accounting Standard (Ind As) 101 'First Time Adoption Of Indian Accounting Standards':

(b) Reconciliation of profit and loss and other comprehensive income for the year ended 31 March 2016

(Amount in Rs.)

	Particulars	Note No.	IGAAP (A)	Adjustments (B)	Ind AS (A+B)
I	Revenue from operations	19	19,62,00,587	-	19,62,00,587
II	Other Income	20	14,34,658	-	14,34,658
III	**Total Revenue (I + II)**		**19,76,35,245**	**-**	**19,76,35,245**
IV	**Expenses**				
	Cost of materials consumed	21	1,72,15,144	-	1,72,15,144
	Purchase of stock-in-trade		70,72,908	-	70,72,908
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	8,58,543	-	8,58,543
	Employee benefits expense	23	8,67,34,369	(17,86,766)	8,49,47,603
	Finance costs	24	86,13,181	-	86,13,181
	Depreciation and amortization expense	25	2,88,73,157	-	2,88,73,157
	Other expenses	26	9,53,95,249	-	9,53,95,249
IV	**Total expenses**		**24,47,62,552**	**(17,86,766)**	**24,29,75,786**
V	Loss before tax (III - IV)		(4,71,27,306)	17,86,766	(4,53,40,540)
VI	Tax expense:				
	Current Tax		-	-	
	Deferred Tax		-	-	-
	Add/(Less) : (Excess)/Short Provision of earlier year written back/written off		-	-	-
			-	-	-
VII	**Loss for the year (V - VI)**		**(4,71,27,306)**	**17,86,766**	**(4,53,40,540)**
VIII	Other Comprehensive Income:				
a)	(i) Items that will not be reclassified to profit or loss in subsequent year		-	(17,86,766)	(17,86,766)
	(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 for the year, net of tax		-	(17,86,766)	(17,86,766)
IX	**Total Comprehensive deficit for the year (VII + VIII) (Total of loss and other comprehensive income for the year)**		**(4,71,27,306)**	**-**	**(4,71,27,306)**

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eSense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2017

39 Disclosures as required by Indian Accounting Standard (Ind As) 101 'First Time Adoption Of Indian Accounting Standards'

(C) Reconciliation of equity as at 31 March 2015

(Amount in Rs.)

	Particulars	Note No.	IGAAP (A)	Adjustments (B)	Ind AS (A+B)
I	**ASSETS**				
	Non current assets				
	(a) Property, Plant and Equipment	1	6,67,42,944	-	6,67,42,944
	(b) Intangible assets	2	7,72,549	-	7,72,549
	(c) Financial Assets				
	(i) Investments	3	49,99,800	-	49,99,800
	(d) Other non-current assets	4	26,48,346	-	26,48,346
	Current assets				
	(a) Inventories	5	1,77,63,129	-	1,77,63,129
	(b) Financial Assets				
	(i) Trade and other receivables	6	9,11,38,889	-	9,11,38,889
	(ii) Cash and cash equivalents	7	38,16,457	-	38,16,457
	(iii) Other bank balances	8	1,24,863	-	1,24,863
	(iv) Loans and advances	9	5,40,160	-	5,40,160
	(c) Other current assets	10	26,41,259	-	26,41,259
					-
	TOTAL		**19,11,88,395**	-	**19,11,88,395**
					-
II	**EQUITY AND LIABILITIES**				
	Equity				-
	(a) Equity Share capital	11	4,13,35,000	-	4,13,35,000
	(b) Other equity		(13,21,38,801)	15,00,00,000	1,78,61,199
	LIABILITIES				
	Non-Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	12	24,70,00,000	(15,00,00,000)	9,70,00,000
	(b) Provisions	13	47,37,087	-	47,37,087
	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	58,46,953	-	58,46,953
	(ii) Trade and other payables	15	-	-	-
	- Amount due to micro and small enterprises		-	-	-
	- Amount due to others		15,26,477	-	15,26,477
	(iii) Other financial liabilities	16	49,59,714	-	49,59,714
	(b) Other current liabilities	17	1,78,25,251	-	1,78,25,251
	(c) Provisions	18	96,714	-	96,714
					-
	TOTAL		**19,11,88,395**	-	**19,11,88,395**

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eSense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2017

39 Disclosures as required by Indian Accounting Standard (Ind As) 101 'First Time Adoption Of Indian Accounting Standards':

(D) Reconciliation of profit and loss and other comprehensive income for the year ended 31 March 2015

(Amount in Rs.)

	Particulars	Note No.	IGAAP (A)	Adjustments (B)	Ind AS (A+B)
I	Revenue from operations	19	20,12,77,668	-	20,12,77,668
II	Other Income	20	3,54,890	-	3,54,890
III	**Total Revenue (I + II)**		**20,16,32,558**	-	**20,16,32,558**
IV	**Expenses**				
	Cost of materials consumed	21	95,54,640	-	95,54,640
	Purchase of stock-in-trade		19,56,808	-	19,56,808
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	2,23,65,780	-	2,23,65,780
	Employee benefits expense	23	6,75,46,954		6,75,46,954
	Finance costs	24	57,15,104	-	57,15,104
	Depreciation and amortization expense	25	3,46,50,705	-	3,46,50,705
	Other expenses	26	6,27,80,840	-	6,27,80,840
IV	**Total expenses**		**20,45,70,831**	-	**20,45,70,831**
V	Loss before tax (III - IV)		(29,38,273)	-	(29,38,273)
VI	Tax expense:				
	Current Tax		-	-	
	Deferred Tax		-	-	-
	Add/(Less) : (Excess)/Short Provision of earlier year written back/written off		-	-	-
			-	-	-
VII	**Loss for the year (V - VI)**		**(29,38,273)**	-	**(29,38,273)**
VIII	Other Comprehensive Income:				
a)	(i) Items that will not be reclassified to profit or loss in subsequent year		-		-
	(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 for the year, net of tax		-	-	-
IX	**Total Comprehensive deficit for the year (VII + VIII) (Total of loss and other comprehensive income for the year)**		**(29,38,273)**	-	**(29,38,273)**

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eSense Learning Private Limited Lower Parel, Mumbai 400 013 India

eSense Learning Private Limited

Notes on Financial Statements for the year ended 31st March, 2017

40 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.

41 Previous year figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached hereto

For GBCA & Associates
Chartered Accountants
Firm Registration Number 103142W

Haresh K. Chheda
Partner
Membership Number 38262
Mumbai : 23rd May 2017

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

Amit K.Gala
Director
DIN:01335267

Harshil A. Gala
Director
DIN:05106963

Mumbai : 23rd May 2017

eSense Learning Private Limited

Statement of cash flow for the year ended 31st March, 2017

CIN: U72200MH2008PTC181531

(Amount in Rs.)

Sr no	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before Tax	(6,81,94,376)	(4,53,40,540)
	Adjustments for :		
	Depreciation and amortization expenses	1,98,52,989	2,88,73,157
	(Profit) / Loss on sales of property, plant and equipment	31,36,422	(12,21,819)
	Bad debts written off	7,99,774	1,21,15,630
	Changes in fair value of financial assets or liabilities	(6,58,614)	(17,86,766)
	(Profit) / Loss on sales of investments	49,16,470	-
	Finance Cost	1,10,62,101	86,13,181
	Operating Profit before working capital changes:	(2,70,85,234)	12,52,843
	Trade and Other Receivable	(67,93,840)	80,04,678
	Inventories	22,66,184	8,90,099
	Loans and Advances	(23,50,997)	(8,500)
	Trade and other Payable	(1,36,284)	1,41,00,779
	Cash Generated from Operations	(3,40,98,871)	2,42,99,899
	Income Tax paid	(15,80,563)	(2,80,153)
	Net Cash inflow / (outflow) to operating activities	(3,56,80,433)	2,40,19,746
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(7,24,175)	(24,24,200)
	Sale of property, plant and equipment	2,51,690	25,95,320
	Sale of investment in equity shares	83,330	-
	Net Cash inflow from investing activities	(3,89,154)	1,71,120
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Working capital loan	12,00,00,000	-
	Repayment of borrowings	(50,00,000)	(4,70,00,000)
	Proceeds from issue of Debentures	26,50,264	-
	Interest paid	(1,10,62,101)	(86,13,181)
			-
	Net Cash inflow / (outflow) to financial activities	10,65,88,163	(5,56,13,181)
	Net increase / (decrease) in Cash and Cash Equivalents	7,05,18,576	(3,14,22,315)
	Cash and Cash Equivalents as at the beginning of the year	(3,34,52,811)	(20,30,496)
	Cash and Cash Equivalents as at the end of the year	3,70,65,764	(3,34,52,811)
	Net increase / (decrease) as mentioned above	7,05,18,575	(3,14,22,315)

Notes:

1. Previous year figures have been regrouped / rearranged to confirm to the current year's presentation wherever necessar

2. Reconciliation of cash and cash equivalents as per cash flow statement:

Particulars	2016-2017	2015-2016
Cash & Cash Equivalents (Note 7)	4,51,05,081	60,42,574
Cash Credit (Note 14)	(80,39,318)	(3,94,95,386)
Balances as per statement of cash flow	3,70,65,764	(3,34,52,811)

Significant Accounting Policies and Notes to Financial 1 to 41

As per our report of even date attached hereto

For GBCA & Associates
Chartered Accountants
Firm Registration Number 103142W

Haresh K. Chheda
Partner
Membership Number 38262
Mumbai : 23rd May 2017

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

Amit K.Gala	**Harshil A. Gala**
Director	Director
DIN:0133526	DIN:05106963

Mumbai : 23rd May 2017

GBCA & ASSOCIATES MUMBAI Chartered Accountants

ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2017

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 and has its registered office at Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, Mumbai - 400028.

The Company is providing eLearning solutions to schools and students in India. It adopts new technologies and modify them to meet the needs of teachers and students. It launched 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 2017 were approved and adopted by board of directors of the Company in their meeting dated 23rd May 2017.

2. Basis of preparation

2.1. Statement of Compliance

The financial statements (on standalone basis) 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.

For all periods up to and including the year ended 31st March 2016, the Company had prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). These financial statements for the year ended 31st March 2017 are the first the Company has prepared in accordance with Ind AS.

The financial statements comply with Ind AS notified by the Ministry of Company Affairs ('MCA'). The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1st April, 2015 and 31st March, 2016 and on the net profit or loss and cash flows for the year ended 31st March, 2016 is disclosed in Note no 39 to these financial statements.

2.2. 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 lakhs.

2.3. Basis of measurement

The financial statements have been prepared on a historical cost basis except for the defined benefit plans which are measured at fair value.

2.4. 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

GMCA & ASSOCIATES MUMBAI Chartered Accountants 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 estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iii) 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.

3. Significant Accounting Policies

3.1. 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.

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

Based on the nature of business 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.

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Notes on financial statements for the year ended 31st March, 2017

3.2. Property, plant and equipment

i) Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2015 as the deemed cost of the property, plant & equipment under Ind AS.

ii) Subsequent to transition date, 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.

iii) Capital work-in-progress comprises of cost incurred on property, plant and equipment not yet ready for their intended use at the Balance Sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

iv) 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.

v) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

vi) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate items (major components) of property, plant and equipment.

vii) Depreciation on property, plant and equipment

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 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.

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Notes on financial statements for the year ended 31st March, 2017

3.3. Intangible assets

i) Under the previous GAAP, Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used carrying value as at the date of transition i.e. 1st April 2015 as the deemed cost of intangible assets under Ind AS.

ii) Subsequent to transition date, Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any. Intangible assets are recognised only if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably.

iii) Estimated useful life of intangible assets are as tabulated below:

Block	Useful life
Trade Mark	3 years
Software	3 years

iv) 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.

3.4. Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.5. Inventories

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

i) Raw Materials, Packing Materials & Stores & Spares: 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.

ii) Finished Goods and Work in Progress: 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.

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3.6. Investments

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

3.7. Equity share capital

Ordinary shares are classified as equity.

3.8. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- 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 trade discount and rebate.

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

- Interest income in respect to deposits which are measured at cost or at fair value through other comprehensive income, is recorded using effective interest rate (EIR). Interest Income is included in Other Income in the statement of profit and loss.

- Rental income on assets given under operating lease arrangements is not 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.

3.9. 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.

3.10. Retirement and other 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

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