

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present their Twelfth (12) Annual Report for the year ended 31st March, 2020.

1) PERFORMANCE & OUTLOOK

During the year under review, the total revenue of your Company decreased by 13 % and stood at Rs. 2,064 Lakh as compared to Rs. 2,361 Lakh in the previous year 2019. The Company could manage to bring down its losses to Rs. 684.38 Lakh from loss of Rs. 113.48 Lakh in the previous year.

Your Directors inform that the Company is focussed on providing digital content to schools and students in India. The B2B business continues to show steady growth. The company has initiated efforts of promoting Student App through schools. The company is focused on sincere adoption of its products among schools, teachers and students.

2) DIVIDEND

In view of the loss incurred during the year under review, your Directors do not recommend any dividend for the year under review.

3) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. Other Director, except the Whole Time Director, will retire at the ensuing Annual General Meeting and, being eligible, offer himself for re-election. Appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM.

Appointment / resignation of Directors:

During the year under review, there is no change in the Directors of the Company.

Retirement of Directors by rotation:

In terms of Section 152 of the Companies Act, 2013, Shri Harshil A. Gala (DIN: 05106963), Director liable to retire by rotation and, being eligible, offers himself for re-appointment.

Appointment / resignation of Key Managerial Personnel:

During the year Mr. Amit D. Buch has resigned as Company Secretary on 31st July, 2019. And Mr. Harshad N. Patel appointed as Company Secretary w.e.f. 1st August, 2019.

Corporate Office:

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Lower Parel (W), Mumbai 400013. India
Tel.: 022-62809000
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4) SHARE CAPITAL

During the year under review, there was no change in the Equity & Preference Share Capital of the Company. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise, during the year under review.

5) ANNUAL RETURN

The details forming part of the extract of Annual return in the Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in the report and forms an integral part of the Report.

6) MEETINGS

During the year five Board Meetings were convened and held.

7) DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 134(3) (c) of the Companies Act, 2013 your Directors hereby state:

- that in the preparation of annual financial statements for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the Annual Accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8) STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

All independent directors have given declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

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9) DISCLOSURE UNDER SECTION 178(1) ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING OTHER MATTERS PROVIDED UNDER SECTION 178(3)

The Board of Directors has framed a policy which lays down a framework in relation to remuneration to Directors, Managerial Personnel and senior management of the Company. The policy lays down the criteria for selection and appointment of Board members.

10) DETAILS ON POLICY DEVELOPMENT AND IMPLEMENTATION BY COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES UNDERTAKEN DURING THE YEAR UNDER REVIEW.

The provision of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to your Company.

11) DISCLOSURE AS PER RULE 8(5) OF COMPANIES ACCOUNTS RULES, 2014

During the year under review, there is no change in the nature of business of the company and there is no company which became or ceased to be subsidiary/ associate company of your Company.

12) DISCLOSURE OF REMUNERATION OF EMPLOYEES COVERED UNDER RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

None of the employee of your Company employed throughout the financial year was in receipt of remuneration in aggregate exceeding the limit specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

13) AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s N.A. Shah Associates LLP (Firm Registration No. 116560W/W100149), Chartered Accountants were appointed as Statutory Auditors of the Company to hold office from the conclusion of 9th Annual General Meeting (AGM) until the conclusion of 14th AGM, subject to ratification by shareholders at every subsequent AGM.

Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent Annual General Meeting (AGM). In view of this, appointment of Auditors is not required for ratification at ensuing AGM

M/s N.A. Shah Associates LLP, (Firm Registration No. 116560W/W100149), Chartered Accountants have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

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14) COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their report requiring explanation or comments from the Board of Directors as required under Section 134(3) of the Companies Act, 2013.

15) REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board of Directors under Section 143(2) of the Companies Act, 2013 and Rules made thereunder.

16) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loan transactions made during the year are mentioned in annual accounts of the Company. During the year under review, no guarantee was given and no investment made by the Company.

17) MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT.

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of report.

18) SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern which would impact the going concern status of the Company and its future operations.

19) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provides for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls.

20) RELATED PARTY TRANSACTIONS

All related party transaction entered into during the financial year were on arm's length and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

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21) RISK MANAGEMENT:

As per the applicable requirement of Companies Act, 2013 a risk management policy/plan of the Company is developed and implemented for creating and protecting the Shareholder's value by minimizing threats or losses and to identify and Provide a framework that enables future activities of a Company to take place in a consistent and controlled manner. In the opinion of the Board, there is no any risk which may threaten the existence of the Company.

22) FIXED DEPOSITS

During the year, the Company has not accepted any deposits from public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposit) Rules, 2014.

23) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has been taking all necessary stapes for conservation of energy. The requirement of giving details on technology absorption under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the Company. The Company has neither earned nor spent any foreign exchange during the year under review.

24) PREVENTION OF SEXUAL HARRASMENT AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company is fully committed to uphold and maintain dignity of women working in the Company and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at work place.

During the year 2019-20, no sexual harassment complaint was filed before the said Committee.

25) ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere thanks to all the employees, bankers, customers, suppliers and other regulatory authorities for their continued support and co-operation given to the Company during the year under review.

For and on behalf of the Board

Raju H. Gala
Managing Director
DIN: 02096613

Arun K. Gala
Director & CFO
DIN: 01335267



Mumbai, 16th June, 2020

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Annexure 'B'
FORM NO.MGT-9
Extract of Annual Return as on the financial year ended on 31st March, 2020
(Pursuant to section 92(3) of the Companies Act,2013 and rule 12 (1) of the Companies (Management and Administration) Rules,2014)
I REGISTRATION AND OTHER DETAILS :

(I)	CIN	U72200MH2008PTC181531
(II)	Registration Date	24.04.2008
(III)	Name of the Company	eSense Learning Private Limited
(IV)	Category/Sub-Category of the Company	Private Company Limited -by Shares
(V)	Address of the Registered office and contact details	Navneet Bhavan, Near Shardashram Society, Bhavani Shankar Road, Dadar (West), Mumbai - 400028. (B) 9122 - 6662 6565
(VI)	Whether listed company	No
(VII)	Name,Address and Contact details of Registrar and Transfer Agent ,if any	N.A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Publishing of books, brochures, leaflets and similar publications, including publishing encyclopedias (including on CD-ROM)	58111	100
2	Financial and Insurance Service	65110	0

III PARTICULARS OF HOLDINGS,SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1	Navneet Education Limited	L22200MH1984PLC034055	Holding	100	2(87)

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IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-wise Share Holding

Category code	Category of shareholders	No of shares held at the beginning of the year (As on 1st April, 2019)				No of shares held at the end of the year (As on 31st March, 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
-1	Indian									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	23633500	23633500	100.00	0	23633500	23633500	100.00	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
(f)	Trust	0	0	0	0	0	0	0	0	0
	Relatives of Promoters	0	0	0	0	0	0	0	0	0
	Other Bodies Corporate	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	0	0	0	0	0	0	0	0	0
-2	Foreign	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0	0	0	0	0	0
(B)	Public shareholding[3]	0	0	0	0	0	0	0	0	0
-1	Institutions	0	0	0	0	0	0	0	0	0
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
-2	Non-institutions	0	0	0	0	0	0	0	0	0
(a)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(b)	Individuals	0	0	0	0	0	0	0	0	0.0
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	0	0	0	0	0	0	0	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0	0	0	0	0	0
(c)	Any Other (specify)	0	0	0	0	0	0	0	0	0
	1. Clearing members	0	0	0	0	0	0	0	0	0

eSense Learning Private Limited

CIN: U72200MH2008PTC181531



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eSense Learning Private Limited

2.Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0	0
3. Non Resident Indians (Non Repat)	0	0	0	0	0	0	0	0	0	0
4. Foreign National	0	0	0	0	0	0	0	0	0	0
5. Foreign Companies	0	0	0	0	0	0	0	0	0	0
6. Office Bearers	0	0	0	0	0	0	0	0	0	0
7. Trusts	0	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0	0
TOTAL (A)+(B)	0	0	0	0	0	0	0	0	0	0
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0	0
1. Promoters	0	0	0	0	0	0	0	0	0	0
2.Public	0	0	0	0	0	0	0	0	0	0
Sub-Total (C)	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	0	23633500	23633500	100.00	0	23633500	23633500	100.00	0	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2019)			Shareholding at the end of the year (As on 31st March, 2020)			% Change in Shareholding during the year
		No of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	Navneet Education Limited	23633500	100.00	0	23633500	100.00	0	0.00
		23633500	100.00	0	23633500	100.00	0	0

(iii) Change in Promoter's Shareholding (Please specify,if there is no change) :

Sr No	Name	Shareholding at the beginning of the year (As on 1st April, 2019)		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year (As on 31st March, 2020)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Navneet Education Limited	23633500	0	-	0	-	23633500	100

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors,Promoters,and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year (As on 1st April, 2019)		Date	Increase /Decrease in Shareholding	Reason	Cumulative Shareholding during the year (As on 31st March, 2020)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company

CIN: U72209MH2008PTC181531



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(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Nil

(VI) INDEBTEDNESS:

Indebtedness of the company including interest outstanding /accrued but not due for payment : (Annexure-a)

(VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: (Annexure-b)

- A. Remuneraion to Managing Director,Whole-time Directors and /or Manager : Attached
B. Remuneration to other Directors : Attached
C.Remuneration to Key Managerial Personnel Other than MD/Manager/WTD : Attached

(VIII) PENALTIES / PUNISHMENTS / COMPOUNDING OFFENCES: Nil

For Esense Learning Private Limited

Raju H. Gala
Managing Director
DIN: 02096613



Amit K. Gala
Director & CFO
DIN: 01335267

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(Amount in Rs.)

Particulars	Secured Loans excluding deposits	UnSecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	19,30,45,603	-	19,30,45,603
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	69,863	-	69,863
Total (I+II+III)	-	19,31,15,466	-	19,31,15,466
Change in Indebtedness during the financial year				
Addition	-	1,96,50,00,000	-	1,96,50,00,000
Reduction	-	(1,92,32,13,728)	-	(1,92,32,13,728)
Net Change	-	4,17,86,272	-	4,17,86,272
Indebtedness at the end of the financial year				
(i) Principal Amount	-	23,14,60,521	-	23,14,60,521
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	34,41,217	-	34,41,217
Total (I+II+III)	-	23,49,01,738	-	23,49,01,738

Annexure-a
VI INDEBTEDNESS:

eSense Learning Private Limited



Annexure-b

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

(Amount in Rs.)

A. Remuneration to Managing Director, Whole-time Directors and /or Manager :

Sr. No.	Particulars of Remuneration	MD	Director	Director	Total Amount
		Raju H. Gala	Harshil A. Gala	Amit K. Gala	
1	Gross Salary (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	-	11,52,000	48,72,000	60,24,000
	(b) Value of Perquisites u/s.17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s.17 (3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	0	1152000	4872000	6024000
	Ceiling as per Act				

B. Remuneration to other Directors:

Sr No.	Particulars of Remuneration	Amitabh S. Mehata	Piyush P. Gada	Total Amount
1	Independent Directors	0	0	0
	Fees for attending Board/ Committee Meetings	28,000	28,000	56000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total	28,000	28,000	56000
	Total Managerial Remuneration			
	Overall Ceiling as per Act			

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

Sr No.	Particulars of Remuneration	CS - Harshad N. Patel	CS - Amlt D. Buch	CFO -Amlt K Gala	Total Amount (Rs.)
		(w.e.f. 01-08-2020)	(Up to 31-07-2020)		

Corporate Office:

1B Benefice Business House, 1041, Mathuradas Mill Estate, 126, N M Joshi Marg, Lower Parel (W), Mumbai 400013. India
Tel.: 022-62809000
e-mail: marketing.mh@esense.in

Gujarat Office:

Gala Argos, Behind Harikrupa Tower, Gujarat College Road, Ellisebridge, Ahmedabad 380 006. India
Tel.: 079 4110 2000
email: marketingguj@esense.in

Regd. Office:

Navneet Bhavan, Bhavani Shankar Road, Dadar (W), Mumbai 400028. India
Tel.: 022 6662 6565 / 6400
Fax: 022 6662 6470

Thane Office:

101, Purnashanti Heights, Jai Hind CHS, Chendani, Khartan Road, Thane (W) - 400 601
Tel.: 98203 12780
email: thaneoffice@esense.in



1	Gross Salary (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act,-1961	3,68,387	0	48,72,000	52,40,387
	(b) Value of Perquisites u/s.17(2) of the Income-tax Act,1961	0	0	0	0
	(c) Profits in lieu of salary u/s.17 (3) of the Income-tax Act,1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others,specify	0	0	0	0
5	Others,please specify	0	0	0	0
	Total	3,68,387	0	48,72,000	52,40,387

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Thane (W) - 400 601

Tel.: 98203 12780
email: thaneoffice@esense.in

N. A. SHAH ASSOCIATES LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESENSE LEARNING PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

Opinion

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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (together referred to as 'Ind AS financial statements').

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 Companies Act, 2013 ('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 2020, and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><i>Accuracy of recognition, measurement, determination of useful life of internally generated intangible assets and its impairment test</i></p> <p>We refer to note 2.1(c)(ii) and 2.2(ii) of significant accounting policies for recognition, amortization and impairment of internally generated intangible asset and the note 4 of the Ind AS financial statements for carrying amount.</p> <p>The company is in the business of developing educational contents and technology platforms for teachers and students. The cost incurred for development of new contents and technology platforms are capitalized and amortized over the estimated useful life. This involves</p> <ul style="list-style-type: none">• Identification of cost for development of new contents / platforms. This includes capturing of time taken for development, personnel involved etc.	<p><i>Principal Audit Procedures</i></p> <p>As part of our audit procedures, we have performed following:</p> <ul style="list-style-type: none">• Evaluated the design and effectiveness of internal control over capturing the time spent on new content development.• Verified the cost captured on test check basis from the project management software and ensured that the capitalization is in accordance with the requirements of Indian Accounting Standard 38 'Intangible Assets'.• Verified the released / launch dates on test check basis based on internal approval and sign-off procedures.• Reviewed the useful life / balance useful life and discussed the same with management as regards the expected syllabus changes

N. A. Shah Associates LLP is registered with limited liability having LLP identification No. AAG-7909

Regd. Off.: B 41-45, Paragon Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 013.

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N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's report (continued)

Key Audit Matter	How our audit addressed the key audit matter
<ul style="list-style-type: none">• Estimation of useful life based on future expectations of changes in syllabus which involves significant management judgement and estimates.• Management estimates & judgement in regards to market response to the products launched / expected to be launched and expected profitability.	<ul style="list-style-type: none">• Evaluated of the relevant assumptions used in the impairment testing, focusing on the reasonableness of the forecasted economic information (for next three years) and the estimation and allocation of the revenue and costs. As per the projections approved by board, the expected profit is higher than the carrying value of such intangible assets. Also as per the management covid 19 would result in more opportunity for e-learning and hence the projections would improve post covid 19 situation.• Reviewed the accuracy of earlier estimates made by management.

Other Matter

Due to Covid-19 and consequent lockdown, we were unable to observe the physical verification inventories (except job-in-progress) as at 31st March 2020. We have relied upon the physical verification conducted by management during the year as well as the internal control system to validate the existence of inventories as on 31st March 2020.

Our opinion is not modified in respect of the above matter

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Board of Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Independent Auditor's report (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, Statement of Changes in Equity and the Cash Flow Statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020, 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"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors for the year ended 31st March 2020 is in accordance with the provisions of section 197 read with Schedule V of the Act; and



N. A. SHAH ASSOCIATES LLP

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Independent Auditor's report (continued)

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's report (continued)

- h. 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 31 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

UDIN: 20103286AAAABR7345



Place: Mumbai

Date: 16th June 2020

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

Annexure A to the Independent Auditor's Report for the year ended 31st March 2020

[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 a plan to physically verify all fixed assets once in a year. In our opinion, this frequency of verification is reasonable having regards to the size of the Company and nature of its assets. However, during the year on account of the mandatory lockdown due to Covid-19 pandemic, the said physical verification was not possible to be conducted. Considering the same, we are unable to comment on the material discrepancies under (i) (b) of paragraph 3 of the Order.
 - 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. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account (Also see 'Other Matter' paragraph of this report).
- (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 generally been regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, tax deduction at source, income tax, sales tax, service tax, goods and service tax, value added tax, custom duty, cess and any other material statutory dues as applicable to the Company during the year with the appropriate authorities. As at 31st March 2020, 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, custom duty, cess and any other material statutory dues which have not been deposited with appropriate authorities on account of any dispute, except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's report (continued)

Name of statute	Nature of dues	Amount in Thousands (net of amount paid under protest)	Period to which it relates	Forum where dispute is pending
The Income Tax Act, 1961	Penalty	652	A.Y. 2012-13	CIT (Appeal)

(Also refer note 31 of the financial statement).

- (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.
- (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 34 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

M. V. Mody

Milan Mody

Partner

Membership No. 103286

UDIN: 20103286AAAABR7345



Place: Mumbai

Date: 16th June 2020

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

Annexure B to the Independent Auditor's Report for the year ended 31st March 2020

[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 Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls over financial reporting of **Esense Learning Private Limited** ("the Company"), as of 31st March 2020, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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 2020, 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').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

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, issued by 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.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's report (continued)

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.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149



Milan Mody

Partner

Membership number: 103286

UDIN: 20103286AAAABR7345

Place: Mumbai

Date: 16th June 2020

(Amount in '000)

Particulars		Note No.	As at 31st March 2020	As at 31st March 2019
I	ASSETS			
	Non current assets			
	(a) Property, Plant and Equipment	3	4,244	7,053
	(b) Intangible assets	4	77,076	55,668
	(c) Intangible assets under development	5	8,505	28,441
	(d) Financial Assets			
	(i) Trade receivables	6	6,410	2,300
	(e) Assets for non-current tax (net)	7	15,664	7,125
	(f) Other non-current assets	8	303	288
	Total non-current Assets		1,12,202	1,00,875
	Current assets			
	(a) Inventories	9	6,976	3,511
	(b) Financial Assets			
	(i) Trade receivables	10	55,982	65,272
	(ii) Cash and cash equivalents	11	626	577
	(iii) Loans and advances	12	1,300	743
	(c) Other current assets	13	591	523
	Total current Assets		65,475	70,626
	TOTAL ASSETS		1,77,677	1,71,501
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	14	2,36,335	2,36,335
	(b) Other equity		(3,71,079)	(3,03,139)
	Total equity		(1,34,744)	(66,804)
	LIABILITIES			
	Non-Current liabilities			
	(a) Provisions	15	9,635	7,465
	(b) Other non-current liabilities	16	23	57
	Total non-current liabilities		9,658	7,521
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	2,34,245	1,93,046
	(ii) Trade payables	18		
	- Amount due of micro and small enterprises		-	579
	- Amount due of others		7,570	3,821
	(iii) Other financial liabilities	19	20,304	12,083
	(b) Other current liabilities	20	25,341	8,536
	(c) Provisions	21	15,303	12,718
	Total current liabilities		3,02,763	2,30,783
	TOTAL EQUITY AND LIABILITIES		1,77,677	1,71,501

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

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: 16th June 2020

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

 
Raju H. Gala **Amit K. Gala**
Managing Director Chief Financial Officer
DIN: 02096613 DIN: 01335267


Harshad N. Patel
Company Secretary
Membership No.: A44439

Place: Mumbai

Date: 16th June 2020

Esense Learning Private Limited

Statement of Profit and Loss for the year ended 31st March 2020

CIN: U72200MH2008PTC181531

(Amount in '000)

Particulars		Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I	Revenue from operations	22	2,05,797	2,32,984
II	Other Income	23	594	3,161
III	Total Revenue (I + II)		2,06,391	2,36,145
IV	Expenses			
	Employee benefits expense	24	1,28,794	1,10,700
	Materials consumed for rendering services	25	1,560	3,261
	Purchase of stock-in-trade		6,424	3,782
	Changes in inventories of materials & stock-in-trade	26	(314)	4,762
	Finance costs	27	18,111	12,747
	Depreciation and amortization expense	28	44,799	27,664
	Other expenses	29	75,455	84,577
IV	Total expenses		2,74,829	2,47,493
V	Loss before tax (III - IV)		(68,438)	(11,348)
VI	Tax expense:	38		
	Current Tax		-	-
	Deferred Tax		-	-
VII	Loss for the year (V - VI)		(68,438)	(11,348)
VIII	Other comprehensive income:			
a)	Items that will not be reclassified to profit or loss in subsequent year		500	2,216
	Less: Income tax relating to the above			
b)	Items that will be reclassified to profit or loss in subsequent year		-	-
	Less: Income tax relating to the above		-	-
VIII	Other comprehensive income for the year, net of tax		500	2,216
IX	Total Comprehensive deficit for the year (VII + VIII) (Total of loss and other comprehensive income for the year)		(67,938)	(9,132)
	Earnings per equity share of Rs. 10/- each	33		
	(1) Basic		(2.87)	(0.48)
	(2) Diluted		(2.87)	(0.48)

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

As per our report of even date attached hereto

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration Number - 116560W / W100149

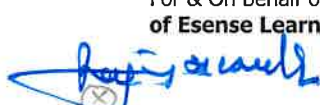


Milan Mody

Partner

Membership Number: 103286

Place: Mumbai

Date: 16th June 2020

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


Raju H. Gala
Managing Director
DIN: 02096613**Amit K. Gala**
Chief Financial Officer
DIN: 01335267

Harshad N Patel
Company Secretary
Membership No.: A44439

Place: Mumbai

Date: 16th June 2020

Esense Learning Private Limited

Statement of cash flow for the year ended 31st March 2020

CIN: U72200MH2008PTC181531

(Amount in '000)

Particulars	For the ended 31st March 2020	For the year ended 31st March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(68,438)	(11,348)
Adjustments for :		
Depreciation and amortization expenses	44,799	27,664
Discard of property, plant and equipment	-	514
Bad debts written off	776	6,222
Allowance for bad and doubtful debts	2,000	1,056
Changes in fair value of financial assets or liabilities	500	2,216
Finance Cost	18,111	12,747
Operating Profit before working capital changes:	(2,252)	39,072
Trade and Other Receivable	2,336	(25,441)
Inventories	(3,466)	4,618
Loans and Advances	(17,650)	2,746
Trade and other Payable	33,450	2,209
Cash Generated from Operations	12,417	23,205
Income Tax received (i.e. TDS deducted by customers)	8,539	509
Net Cash inflow from operating activities	20,956	23,714
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, change in capital work-in-progress and intangible assets under development	(43,996)	(71,208)
Net Cash (outflow) from investing activities	(43,996)	(71,208)
C CASH FLOW FROM FINANCING ACTIVITIES		
Working capital loan taken	19,30,000	18,65,000
Working capital loan repaid	(18,30,000)	(19,60,000)
Loan taken from holding company	35,000	45,000
Interest paid	(15,327)	(12,747)
Net Cash inflow / (outflow) from / to financial activities	1,19,673	(62,747)
Net increase / (decrease) in Cash and Cash Equivalents [A+B+C]	96,633	(1,10,241)
Cash and Cash Equivalents as at the beginning of the year	(1,17,468)	(7,227)
Cash and Cash Equivalents as at the end of the year	(20,835)	(1,17,468)
Net increase / (decrease) as mentioned above	96,633	(1,10,241)

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 39.

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: 16th June 2020



For & On behalf of the Board

of Esense Learning Private Limited**Raju H. Gala**

Managing Director

DIN: 02096613

Harshad Patel

Company Secretary

Membership No.: A44439

Place: Mumbai

Date: 16th June 2020

Amit K. Gala

Chief Financial Officer

DIN:01335267

Esense Learning Private Limited
Statement of Changes in Equity for the Year ended 31st March 2020
CIN: U72200MH2008PTC181531

A. Equity Share Capital

	Balance as at 31st March 2018	Changes in equity share capital during the year 2018-19	Balance at 31st March 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 March 2020
	2,36,335	-	2,36,335	-	2,36,335

B. Other Equity

Particulars	Equity component of convertible debentures [Refer note (a) below]	Reserves & Surplus		Other comprehensive income	Total other equity
		Debtenture Premium [Refer note (a) below]	Retained Earnings		
Balance as at 31st March 2018	2,176	475	(2,94,638)	(2,016)	(2,94,004)
Net loss for the year	-	-	(11,348)	-	(11,348)
Interest accrued on CCD (classified under equity)	-	-	(2)	-	(2)
Re-measurement of the net defined benefit plan	-	-	-	-	-
Balance as at 31st March 2019	2,176	475	(3,05,988)	200	(3,03,139)
Net loss for the year	-	-	(68,438)	-	(68,438)
Interest accrued on CCD (classified under equity)	-	-	(2)	-	(2)
Re-measurement of the net defined benefit plan	-	-	-	500	500
Balance as at 31st March 2020	2,176	475	(3,74,428)	700	(3,71,079)

Notes:

- (a) 0.1% 217,553 compulsory 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. At the end of the term, if debentureholder does not exercise right to convert debentures into equity shares, it will get automatically converted into equity shares.
- (b) 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 Debentures) 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

M. V. Mody

Milan Mody

Partner

Membership Number: 103286



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

Raju H. Gala

Raju H. Gala

Managing Director

DIN: 02096613

Harshad Patel

Harshad Patel

Company Secretary

Membership No.: A44439

Place: Mumbai

Date: 16th June 2020

Amit K. Gala

Amit K. Gala

Chief Financial Officer

DIN: 01335267

ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2020

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 2020 were approved and adopted by board of directors of the Company in their meeting dated 16th June 2020.

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 and relevant amendment rules issued thereafter.

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

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, except when otherwise mentioned.

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.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

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.

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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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.



ESENSE LEARNING PRIVATE LIMITEDNotes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

- 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.
- 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 cases where 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, 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 capitalized
Technology Platform	Straight 33.33% from year in which project is capitalized

- 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, 2020

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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.

Job-in-progress consists primarily of the salary and other costs of personnel directly engaged in providing the service, including supervisory personnel, and attributable overheads. Salary and other costs relating to sales and general administrative personnel are not included but are recognised as expenses in the period in which they are incurred. The cost of job-in-progress does not include profit margins or non-attributable overheads that are factored in prices charged to customers.

NRV test is performed on these costs by comparing cost i.e. accumulated cost and balance estimated cost to be spent, with consideration agreed with the customer.

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:



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

(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
- 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.



ESENSE LEARNING PRIVATE LIMITEDNotes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

(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.

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)



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

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)

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.



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

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.

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



ESENSE LEARNING PRIVATE LIMITED

Notes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

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 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

The accounting policy for Revenue recognition as per Ind AS 115 'Revenue from Contracts with Customers' (which was adopted on April 1, 2018 and did not had any impact on any sale recognition prior to the adoption date) are as under:

- Revenue from operations

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. Revenue is recorded net of returns, trade discount, rebates, value added taxes and goods and service taxes.

- Sale of educational contents

Revenue from sale of educational contents is recognized as under:

- In case the sale is in the nature of right to use, the revenue is recognized at the point of time when the license for the content is activated and there are no further performance obligations.
- In case the sale is in the nature of right to access, the revenue is recognized over the license period on straight line basis.

- Sale of hardware

Revenue is recognized upon transfer of control on delivery of product to customers for an amount that reflects the consideration we expect to receive in exchange for those products.

- Revenue from development of customized contents for third parties

Revenue is recognized only upon completion of the development and handover / acceptance of the same by the customer.



ESENSE LEARNING PRIVATE LIMITEDNotes on financial statements for the year ended 31st March, 2020

CIN: U72200MH2008PTC181531

- Other operating revenue

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

- Other income

Interest income in respect of all the Debt Instruments, financial guarantee's and deposits which are measured at cost or at fair value through other comprehensive income, is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest Income is included in other Income in the statement of profit and loss.

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.

- 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



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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 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) Leases:

The Company had adopted Ind AS 116 'Leases' effective from 1st April 2019, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019. The adoption of this standard did not have any impact on the loss for the year.

A. Accounting policy effective from 1st April 2019

As a Lessee:



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- At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.
- The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. Accounting policy before 1st April 2019

As a Lessee:

- Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.
- 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.



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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.

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 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. In accordance with Ind AS 108, identification of the operating segment is based on the conditions specified in paragraph 5 to the standard, i.e. the segment engages in business activities, performance is regularly reviewed by CODM and discrete financial information is available for the segment.

Operating Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). 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

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

i) Useful life and method of amortisation of intangible assets

The Company has estimated the useful life, residual value and method of amortisation of intangible assets based on its internal technical assessment.

ii) 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.

iii) 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, and existing market conditions as well as forward looking estimates at the end of each reporting period.

iv) 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.

v) 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



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are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3 New standard issued / modified but not effective as at reporting date

Ministry of Corporate Affairs has not issued any notification to notify new standard or amendments to the existing standards which would have been effective from April 1, 2020.



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3 Property, Plant and Equipment

(Amount in '000)

Description of Assets	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
Gross Block as at 31st March 2018	23,571	2,436	1,598	27,606
Additions during the year 2018-2019	3,890	330	677	4,896
Deduction / adjustments for 2018-2019	7,888	389	826	9,103
Gross Block as at 31st March 2019	19,573	2,377	1,449	23,398
Additions during the year 2019-2020	1,022	72	-	1,094
Deduction / adjustments for 2019-2020	-	-	-	-
Gross Block as at 31st March 2020	20,595	2,449	1,449	24,492
Depreciation upto 31st March 2018	16,807	2,064	1,028	19,900
Depreciation for the year 2018-2019	4,627	211	195	5,033
Deduction / adjustments for 2018-2019	7,481	370	738	8,589
Depreciation upto 31st March 2019	13,954	1,905	485	16,345
Depreciation for the year 2019-2020	3,446	207	250	3,903
Deduction / adjustments for 2019-2020	-	-	-	-
Depreciation upto 31st March 2020	17,400	2,112	735	20,248
Net Block as at 31st March 2019	5,619	472	963	7,053
Net Block as at 31st March 2020	3,195	337	713	4,244



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4 Intangible assets

(Amount in '000)

Description of Assets	Contents	Technology Platform	Trade Mark	Software	Total
Gross Block as at 31st March 2018	36,229	-	38,230	13,233	87,692
Additions during the year 2018-2019	41,720	8,580	-	-	50,300
Deduction / adjustments for 2018-2019	-	-	-	5	5
Gross Block as at 31st March 2019	77,949	8,580	38,230	13,228	1,37,987
Additions during the year 2019-2020	56,829	5,475	-	-	62,304
Deduction / adjustments for 2019-2020	-	-	-	-	-
Gross Block as at 31st March 2020	1,34,778	14,055	38,230	13,228	2,00,291

Depreciation upto 31st March 2018	9,057	-	38,230	12,407	59,694
Depreciation for the year 2018-2019	19,487	2,860	-	283	22,631
Deduction / adjustments for 2018-2019	-	-	-	5	5
Depreciation upto 31st March 2019	28,545	2,860	38,230	12,685	82,321
Depreciation for the year 2019-2020	35,927	4,685	-	283	40,896
Deduction / adjustments for 2019-2020	-	-	-	-	-
Depreciation upto 31st March 2020	64,472	7,545	38,230	12,969	1,23,216

Net Block as at 31st March 2019	49,404	5,720	-	543	55,668
Net Block as at 31st March 2020	70,306	6,510	-	259	77,076

- 4.1 New contents have been developed & capitalised as it meets the criteria of Ind AS 38 'Intangible Assets'. Also the Company has developed & capitalised technology platforms to support these contents and to support other products available for teachers and students in accordance with Ind AS 38. As at year end, certain contents 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 (considered as single CGU), has been carried out by the management based on the projections as approved by the board. The value in use of the future projections is higher than the carrying value of the contents and technology platform.

- 4.2 Disclosures on impairment test

- Impairment loss recognised / (reversal) in the Statement of Profit & Loss and in the Other Comprehensive Income is Rs. Nil (Previous year: Rs. Nil)
- Assumptions used to determine the recoverable amount of content / technology platform, are prepared based on market estimates and management judgements (i.e. Growth rate, EBIT, discount rate etc.)
- The management has carried out sensitivity analysis of discount rate and growth rate considered to arrive at value in use and accordingly to the same also, there is no provision for impairment required.

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

Description	Carrying amount as at [Amount in '000]		Remaining useful life as at [in months]	
	31.Mar.20	31.Mar.19	31.Mar.20	31.Mar.19
Content	70,306	49,404	12 to 36	24 to 36
Technology Platform	6,510	5,720	12 to 24	24
Software	259	543	11	23
Total	77,075	55,667		

5 Intangible assets under development

(Amount in '000)

Description of Assets	Content	Technology Platform	Total
As at 31st March 2018	6,947	5,669	12,616
Additions during the year 2018-19	24,362	4,079	28,441
Capitalised to intangible assets	6,947	5,669	12,616
As at 31st March 2019	24,362	4,079	28,441
Additions during the year 2019-2020	1,763	5,741	7,504
Capitalised to intangible assets	23,361	4,079	27,440
As at 31st March 2020	2,764	5,741	8,505

Also refer note 4.1 and 4.2 above.



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(Amount in '000)

Note No.	Particulars	As at 31st March 2020	As at 31st March, 2019
6	Non Current Financial Assets - Trade receivables (unsecured)		
	Considered good [Also refer note 10.1]	6,410	2,300
	Total	6,410	2,300
7	Assets for Non current Tax (net)		
	Advance Income Taxes (Net of Provisions)	15,664	7,125
	Total	15,664	7,125
8	Other Non Current Assets (Considered Good)		
	a) Sales tax refund receivable	110	110
	b) Deposit with customers	100	100
	c) Other income receivable	93	77
	Total	303	288
9	Inventories (valued at lower of cost or estimated net realisable value)		
	Materials (pen drive, CD, packing materials etc.)	34	379
	Finished Goods	2,437	2,439
	Stock in Trade	1,008	692
	Job in progress	3,497	-
	Total	6,976	3,511
9.1	During the year, amount of Rs. 607 thousands (Previous Year: Rs. 3,069 thousands) was recognised as an expense for inventories.		
10	Current Financial Assets - Trade receivables (unsecured)		
	Considered good	61,538	68,829
	Less: Allowance for bad and doubtful debts & expected credit loss (Refer note 41)	(5,556)	(3,556)
	Total	55,982	65,272
10.1	The Company follows simplified approach & the trade receivables do not contain significant financing component and accordingly the Company does not separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure as required by Schedule III, Division II as regards (a) Trade Receivables which have significant increase in credit risk & (b) Trade Receivables which are credit impaired is not required. However, in addition to collective pool assessment, the Company carried out individual assessment in respect of certain parties where the possibility of default in collection of trade receivable was high.		
11	Current Financial Assets - Cash and cash equivalents		
	a) Balance with Scheduled Banks - In Current Account	468	355
	b) Cash on hand	158	222
	Total	626	577
12	Current Financial Assets - Loans And Advances (considered good)		
	a) Tender and deposits	1,300	725
	b) Loan and advances to employee	-	18
	Total	1,300	743



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		(Amount in '000)	
Note No.	Particulars	As at	As at
		31st March 2020	31st March, 2019
13	Other current assets		
	(considered good)		
	a) Advances to suppliers	44	66
	b) SAD (custom) receivable	27	27
	c) Prepaid expenses	496	405
	d) Advances to Employees for expenses	24	25
	Total	591	523



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14 SHARE CAPITAL**AUTHORISED :**

(Amount in '000)

Particulars	As at 31st March 2020		As at 31st March, 2019	
	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 2020		As at 31st March, 2019	
	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

14.1 Reconciliation of the number of Equity Shares outstanding

Particulars	As at 31st March 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning of the year	2,36,33,500	2,36,335	2,36,33,500	2,36,335
Add: Shares Issued	-	-	-	-
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

14.2 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).

14.3 Equity Shareholders holding more than 5% of the shares

Particulars	As at 31st March 2020		As at 31st March, 2019	
	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

14.4 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	Year ended 31st March 2020	Year ended 31st March 2019	Year ended As at 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2016
Equity Shares of Rs.10/- each fully paid up	-	-	-	1,95,00,000	-
Total	-	-	-	1,95,00,000	-

Note: During the year ended 31st March 2017, 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.



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(Amount in '000)

Note Particulars No.	As at 31st March, 2020	As at 31st March, 2019
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15 Non-Current liabilities - Provisions

Provision for Employee Benefit Gratuity (Refer note 36 (b)(i))	9,635	7,465
Total	9,635	7,465

16 Other non-current liabilities

Deferred revenue	23	57
Total	23	57

17 Current Financial Liabilities - Borrowings**Unsecured**

i) Cash Credit from Bank (Refer note 17.1 below)	21,461	1,18,046
ii) Working Capital Rupee Loans repayable on demand from banks (Refer note 17.1 below)	1,30,000	30,000
iii) Loan from Holding Company (Refer note 17.2 below)	82,784	45,000
	2,34,245	1,93,046

17.1 Holding company has given financial guarantee of Rs. 1,65,000 thousands (Previous Year Rs. 1,65,000 thousands) against working capital loan and cash credit facility taken by the Company.

17.2 Loan from Holding Company includes interest accrued and due amounting to Rs. 2,784 thousands (Previous Year: Nil).

18 Current Financial Liabilities - Trade payables

- Due to Micro, Small and Medium Enterprises (Refer note 18.1)	-	579
- Due to Others	7,570	3,821
Total	7,570	4,400

18.1 Details of the dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), as on 31st March 2020 based on available information with the Company which are as under:

Particulars	2019-2020	2018-2019
a) the principal amount remaining unpaid to any supplier at the end of accounting year;	-	579
b) the interest due on above, remaining unpaid to any supplier at the end of accounting year;	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during	-	-
d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
e) the amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the	-	-

19 Other financial liabilities

Payables to employees	16,255	9,545
Creditors for capital goods	11	545
Refundable deposit received from customers	1,345	1,445
Provision for expenses	2,692	548
Total	20,304	12,083



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Note Particulars No.	(Amount in '000)	
	As at 31st March, 2020	As at 31st March, 2019
20 Other current liabilities		
Advances received from customers	13,301	1,313
Advance received against right to use hardware	-	1
Deferred revenue	1,619	1,332
Statutory Dues		
- Provident fund / ESIC / Profession tax	1,121	1,591
- Tax deducted at source	1,275	904
- Goods and Service Tax	8,025	3,395
Total	25,341	8,536
21 Short-term provisions		
Provision for Employee Benefit		
Gratuity (Refer note 36 (b)(i))	670	934
Leave Encashment (Refer note 36 (b)(ii))	12,035	11,784
Other provision	2,598	-
Total	15,303	12,718



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Note No.	Particulars	(Amount in '000)	
		For the year ended 31st March 2020	For the year ended 31st March, 2019
22	Revenue from operations		
	Sale of products	7,119	6,676
	Sale of services	1,98,628	2,05,742
	Other operating revenues	50	20,567
	Total	2,05,797	2,32,984

22.1 Disclosures of Ind AS 115

- a) Contracts with customer and significant judgement in applying the standard:
- i) The company is in the business of developing digital content and technology platforms for schools, teachers and students. It has developed various types of products and applications and revenue recognition for these products would depend on whether the contract is a right to access or a right to use. The company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer note 2.1 (g) of significant accounting policies.
- ii) For details of revenue recognised from contracts with customers, refer note 22 above.
- iii) There are no contract assets arising from the Company's contract with customers.
- b) Disaggregation of revenue
- i) For disaggregation of revenue, refer break-up given in note 22 above.
- ii) Concentration of revenues from one customer of the Company were 12% and 9% of total revenue for the year ended 31st March 2020 and 31st March 2019 respectively (Navneet Education Limited).
- c) Contract balances
- i) Opening balance of contract assets
Closing balance of contract assets (Refer note below)
- ii) Above contract balance represents cost incurred till year end for on-going contract with customers for which revenue are expected to be recognised in next financial year upon completion of performance obligation as per agreed terms with the customer.
- d) Performance obligation
- i) For timing of satisfaction of its performance obligations, refer not 2.1 (g) of significant accounting policies of the Company.
- ii) Unsatisfied (or partially satisfied) performance obligations are due to unexpired contract period in case where the contract for sale of educational content is in the nature of right to access. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 1,642 thousands (Previous year: Rs. 1,388 thousands); out of which 93% (Previous year: 96%) is expected to be recognised as revenue in the next year and the balance thereafter.
- iii) Unsatisfied (or partially satisfied) performance obligation amounts disclosed above does not include obligation towards contract asset disclosed in (c)(i) above. Also refer explanatory note given in (c)(ii) above.

23 Other Income

Interest Income	17	365
Other income		
Sundry credit balances written back	75	1,437
Other non-operating income	502	1,360
Total	594	3,161



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March 2020

CIN: U72200MH2008PTC181531

(Amount in '000)

Note No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March, 2019
24	Employee benefits expense		
	Salaries, Wages & Bonus	1,15,953	1,00,048
	Contribution to PF, ESIC and LWF (Refer note 36 (a))	8,335	5,375
	Contribution to Other Funds	3,340	3,503
	Staff Welfare	1,166	1,775
	Total	1,28,794	1,10,700
25	Materials consumed for rendering services		
	Materials Consumed	1,560	3,261
	Total	1,560	3,261
26	Changes in inventories of materials and Stock-in-Trade		
	Closing Stock		
	Materials	2,437	2,439
	Stock in Trade	1,008	692
		3,445	3,131
	Opening Stock		
	Materials	2,439	7,277
	Stock in Trade	692	616
		3,131	7,893
	Total	(314)	4,762
27	Finance costs		
	Interest expenses	18,111	12,747
	Total	18,111	12,747
28	Depreciation and amortization expense		
	Depreciation of Property, Plant & Equipment (Refer note 3)	3,903	5,033
	Amortisation of intangible assets (Refer note 4)	40,896	22,631
	Total	44,799	27,664
29	Other expenses		
	Auditor's remuneration (Refer note 32)	200	200
	Content upgradation expenses	8,203	6,523
	Marketing expenses	18,558	22,094
	Advertisement and sales promotion expenses	6,455	13,444
	Rent, rates and taxes	7,914	7,898
	Repairs		
	- Building repairs & maintenance	1,432	1,376
	- Other repairs	1,287	2,538
	Sales commission	8,995	5,129
	Loss on sale / discard of property, plant and equipment	-	514
	Bad debts and other irrecoverable advance written off	776	6,222
	Computer software charges	7,919	4,622
	Communication expenses	1,667	1,945
	Provision for expected credit loss	2,000	1,056
	Staff recruitment expenses	597	1,478
	Printing expenses	1,141	1,514
	Electricity expenses	1,314	1,630
	Transportation expenses	1,006	1,594
	Legal and professional fees	905	771
	Royalty	1,748	434
	Director sitting fees (Refer note 34.2)	56	17
	Loss on foreign exchange transactions (net)	-	14
	Other expenses	3,282	3,563
	Total	75,455	84,577



30 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). Further, the Company is in the process and committed to further development of new contents as on 31st March 2020. Refer note 5 for intangible assets under development as on 31st March 2020.

31 Contingencies and litigations:

Income tax department has made certain disallowances during assessments against returned losses for Assessment Year 2013-14 and Assessment Year 2014-15 and reduced the losses claimed by the Company by Rs. 23,783 thousands for these Assessment years.

Similar disallowance of Rs. 11,994 thousands was made for Assessment Year 2012-13. Appeal against the said disallowance was decided by ITAT during the year. ITAT has given substantial relief by allowing disallowance amounting to Rs. 9,358 thousands as against disallowance of Rs. 11,994 thousands made during assessment. Management is hopeful of getting such reliefs in subsequent years as nature of dispute is similar. Considering this, in the opinion of the management there would not any major liability with respect to pending Appeal.

Further, during the year, against balance disallowance of AY 2012-13, department has levied penalty of Rs. 815 thousands u/s 271(1)(c) of the Income Tax Act, 1961. The Company has made payment under protest of 20% of total demand (i.e. Rs. 163 thousands) and filed appeal with CIT (Appeal) against this penalty order.

32 Auditors Remuneration:

(Amount in '000)		
Particulars	2019-2020	2018-2019
Payment to auditor as:		
a) auditor	150	150
b) for tax matters	50	50
Total	200	200

33 Earning Per Share (EPS):

(Amount in '000)		
Particulars	2019-2020	2018-2019
Net loss after tax before other comprehensive income available for Equity Shareholders	(68,438)	(11,348)
Weighted average number of equity shares for basic and diluted EPS (in numbers)	2,38,51,053	2,38,51,053
i) Equity shares (Refer note 13) - 2,36,33,500		
ii) Compulsory Convertible Debentures (Refer Statement of Changes in Equity) - 217,553		
Basic and Diluted EPS (Rs.)	(2.87)	(0.48)
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.

34 Related party disclosure**34.1 List of related parties and relationships:**

Nature of relationship	Name of the relative
Holding Company (also Ultimate holding company)	Navneet Education Limited
Enterprises owned or significantly influenced by key management personnel or their relatives (only where there are transactions)	Navneet Foundation
Key Managerial Personnel (KMP)	Harshil A. Gala (Director)
	Amit K. Gala (Chief Financial Officer & Director)
	Piyush P. Gada (Independent director)
	Amitabh S. Mehata (Independent director)
	Harshad Patel (Company Secretary)

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

Refer Annexure A to the financial statement attached herewith.

35 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 CFO of the Company is also reviewing the results / operations of the Company as single segment. Also refer note 22.1 (b) (ii) for customer concentration.

36 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	2019-2020	2018-2019
Provident Fund	3,970	945
Government Pension Fund	2,952	2,649
Employee State Insurance Corporation	1,389	1,761
Labour Welfare Fund	24	19
Total	8,335	5,375



(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: 2,000 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. 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. Effective from 1st April 2019, with immediate effect, the Company has restricted maximum accumulation of leave balance to 45 days; earlier there was no limit for accumulation of leave balances. This resulted into material curtailment of obligation towards leave encashment liability; quantification of the same was not readily available as actuarial valuation did not provided for the same separately.

i) Gratuity (unfunded):

(Amount in '000)

Particulars	2019-20	2018-19
Change in Obligation		
Opening fair Value	8,399	7,674
Current Service Cost	2,664	2,651
Actuarial gain / (loss)	(500)	(2,216)
Interest Cost	584	552
Benefits Paid	(842)	(262)
Closing fair value	10,305	8,399
Change in Plan Asset		
Opening Fund Balance	-	-
Contribution paid	842	262
Benefits paid during period	(842)	(262)
Closing Fund Balance	-	-
Reconciliation of present value of obligation and plan asset		
Closing Fund Balance	-	-
Closing fair value of obligation	10,305	8,399
Net Liability recognized in balance sheet	(10,305)	(8,399)
Expense recognized in the statement of P & L		
Current Service Cost	2,664	2,651
Interest Cost	584	552
Expenses Return on Plan Asset /Actuarial gain / (Loss)	(500)	(2,216)
	2,748	987
Less: Capitalised to contents / technology platform	(304)	(82)
Expense recognized in the statement of P&L	2,444	905
Other Comprehensive Income (OCI)		
Actuarial (Gain) / Loss recognized	(500)	(2,216)
Total Actuarial (Gain) / Loss recognized in OCI	(500)	(2,216)
Movement in the Liability recognized in Balance Sheet		
Opening Net Liability	8,399	7,674
Expense as above	3,248	3,203
Contribution paid	(842)	(262)
Other Comprehensive Income (OCI)	(500)	(2,216)
Closing Net Liability	10,305	8,399
Assumption		
Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	6.53%	7.32%
Future Salary Increase	6.00%	6.00%

Sensitivity analysis:

PVO	2019-20		2018-19	
	Discount rate	Escalation rate	Discount rate	Escalation rate
Present value obligation on increase by 1%	9,409	11,304	7,742	9,166
Present value obligation on decrease by 1%	11,353	9,435	9,164	7,729



ii) Leave encashment (unfunded):

(Amount in '000)		
Particulars	2019-20	2018-19
Change in Obligation		
Opening fair Value	11,784	15,306
Current Service Cost including actuarial gain / (loss)	2,024	(3,704)
Interest Cost	770	1,084
Benefits Paid	(2,542)	(903)
Closing fair value	12,035	11,784

Change in Plan Asset		
Opening Fund Balance	-	-
Return on the plan Asset	-	-
Contribution paid	2,542	903
Benefits paid during period	(2,542)	(903)
Closing Fund Balance	-	-

Reconciliation of present value of obligation and plan asset.		
Closing Fund Balance	-	-
Closing fair value of obligation	12,035	11,784
Net Liability recognized in balance sheet	(12,035)	(11,784)

Expense recognized in the statement of P & L		
Current Service Cost	6,714	7,198
Interest Cost	770	1,084
Expenses Return on Plan Asset / Actuarial gain / (Loss)	(4,691)	(10,901)
	2,793	(2,619)
Less: Capitalised to contents / technology platform	(543)	(417)
Encashment other than full & final settlement	8	1,447
Expense recognized in the statement of P&L	2,258	(1,589)

Movement in the Liability recognized in Balance Sheet		
Opening Net Liability	11,784	15,306
Expense as above	2,793	(2,619)
Contribution paid	(2,542)	(903)
Closing Net Liability	12,035	11,784

Sensitivity analysis:

PVO	2019-20		2018-19	
	Discount rate	Escalation rate	Discount rate	Escalation rate
Present value obligation on increase by 1%	11,163	13,007	11,008	12,693
Present value obligation on decrease by 1%	13,057	11,191	12,690	10,992

Assumption		
Rate of Mortality	IALM (2006.08) Ult	IALM (2006.08) Ult
Discount Rate	6.32%	7.32%
Future Salary Increase	6.00%	6.00%

37 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. Also refer note 2.1(k)(A) for accounting policy on leases.

i) As a lessee

The company has lease contracts for office premises and computers used in its operations. All these leases have lease terms of 12 months or less. The company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Particulars	2019-20	2018-19
Carrying value and depreciation on ROU assets	-	-
Interest expense on lease liabilities	-	-
Lease expenses in case of short term leases [Refer note 29 'Other Expenses']	7,914	7,898
Lease expenses in case of low value leases	-	-
Variable lease payments not considered in measurement of lease liabilities	-	-
Income from subleasing ROU assets	-	-
Total cash outflow for leases [including short term and low value leases]	7,007	7,898
Additions to ROU assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
the carrying amount of right-of-use assets at the end of the year	-	-

ii) As a lessor

The Company does not have any lease contracts as a lessor.



38 Income taxes

38.1 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. The Company has not recognised deferred tax assets considering lower probability of taxable profit in near future against which unused tax losses can be utilised.

38.2 Details of tax losses:

The Company is having carry forward depreciation losses as at 31st March 2020 of Rs. 2,05,747 thousands (Prev. year: Rs. 1,76,168 thousands) which doesn't have any expiry date and carry forward business losses as on 31st March 2020 is Rs. 1,00,574 thousands (Previous year: Rs. 83,475 thousands) which will be expired in next 1 to 8 years (Previous year : 1 to 7 years). Considering losses incurred during last three years, these assets are not recognised in financial statements.

38.3 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.

39 Cash flow statement

39.1 Aggregate outflow on account of direct tax credit received (net) is Rs. 8,539 thousands (Previous year Rs. 509 thousands).

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

Particulars	(Amount in '000)	
	2019-2020	2018-2019
Cash & Cash Equivalents (Note 11)	626	577
Cash Credit from Bank (Note 17)	(21,461)	(1,18,046)
Balances as per statement of cash flow	(20,835)	(1,17,468)

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

Particulars	(Amount in '000)			
	As at 31st March 2020	Cash inflows / (outflows)	Non-cash changes	As at 31st March 2019
Working capital loan	1,30,000	1,00,000	-	30,000
Loan from holding company	80,000	35,000	-	45,000
Total	2,10,000	1,35,000	-	75,000

40 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, 2020		31 March 2019	
	Level of input used in*	Carrying Amount	Level of input used in*	Carrying Amount
Financial assets				
At Amortised Cost				
Trade receivables - current	NA	55,982	NA	65,272
Trade receivables - non-current	NA	6,410	NA	2,300
Cash and cash equivalents	NA	626	NA	577
Financial liabilities				
At Amortised Cost				
Working Capital Rupee Loans repayable on demand from banks	NA	1,30,000	NA	30,000
Loan from holding company (including accrued interest)	NA	82,784	NA	45,000
Cash credit from Bank	NA	21,461	NA	1,18,046
Trade payables	NA	7,570	NA	4,400

* 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.

41 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, 2020	Increase by 100 basis points (100 bps)	2,315
	Decrease by 100 basis points (100 bps)	-2,315
March 31, 2019	Increase by 100 basis points (100 bps)	1,930
	Decrease by 100 basis points (100 bps)	-1,930

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 2020, there is only one party (Sukarma Education & Networking Pvt. Ltd.) from whom receivables are more than 10% of total receivable (In previous year, there were no parties from whom receivables were more than 10% of total receivable).

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		
	Not due	Due and o/s for upto 6 months	Due and o/s for more than 6 months
As at 31st March 2020			
Secured	-	-	-
Unsecured	47,285	17,435	3,229
Total receivables	47,285	17,435	3,229
Allowance for doubtful receivables			5,556
Net Receivables			62,393
Expected loss rate *			8.18%
As at 31st March 2019			
Secured	-	-	-
Unsecured	49,628	9,310	12,191
Total receivables	49,628	9,310	12,191
Allowance for doubtful receivables			3,556
Net Receivables			67,572
Expected loss rate *			5.00%

* 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 2020	Year ended 31st March 2019
Balance at the beginning	3,556	2,500
Additional provision	2,000	1,056
Amounts written off	-	-
Balance at the end	5,556	3,556

Deposits with banks and other financial assets:

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

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, 2020				
Term loan from Bank	1,30,000	-	-	1,30,000
Loan from holding company (including accrued interest)	82,784	-	-	82,784
Cash credit from Bank	21,461	-	-	21,461
Trade payables	7,570	-	-	7,570
Year ended March 31, 2019				
Term loan from Bank	30,000	-	-	30,000
Loan from holding company	45,000	-	-	45,000
Cash credit from Bank	1,18,046	-	-	1,18,046
Trade payables	4,400	-	-	4,400

As at year end, current liabilities of the Company are more than current assets. The Company, based on detailed projections, expects that all the liabilities will be paid in ordinary course of business. Further, considering strong support from the holding company, the Company does not expect any significant liquidity risk.

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, free reserves and credit balance of 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, 2020	31st March, 2019
Borrowings	2,34,245	1,93,046
Less: Cash and cash equivalents	(626)	(577)
Net debt	2,33,619	1,92,468
Equity *	2,36,335	2,36,335
Capital and Net debt	4,69,954	4,28,803
Gearing Ratio	49.71%	44.89%

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

43 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, management of the Company is confident of making profits in near future and the Company will realize its assets and discharge liabilities in the normal course of business based on future projections / profitability as approved by board.

44 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.



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March 2020

45 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: 16th June 2020

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

R. H. Gala

Raju H. Gala
Managing Director
DIN: 02096613

Amit K. Gala

Amit K. Gala
Chief Financial Officer
DIN: 01335267

Harshad N. Patel

Harshad N. Patel
Company Secretary
Membership No.: A44439

Place: Mumbai

Date: 16th June 2020

Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March 2020

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	2019-2020			2018-2019		
		Holding Company (also Ultimate holding company)	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel (KMP)	Holding Company (also Ultimate holding company)	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel (KMP)
A.	Transactions during the year:						
1	Sale of goods and services						
	Navneet Education Limited	29,686	-	-	25,960	-	-
	Navneet Foundation	-	2,880	-	-	8,586	-
2	Purchase of goods						
	Navneet Education Limited	-	-	-	10	-	-
3	Rent expenses						
	Navneet Education Limited	8,226	-	-	8,127	-	-
4	Interest expenses						
	Navneet Education Limited	5,941	-	-	906	-	-
5	Remuneration						
	Harshil Anil Gala (Director)	-	-	1,152	-	-	1,227
	Amit K. Gala (CFO and Director)	-	-	4,872	-	-	5,292
	Harshad N. Patel (Company)	-	-	365	-	-	-
6	Director sitting fees						
	Piyush P. Gada (Director)	-	-	28	-	-	9
	Amitabh S. Mehata (Director)	-	-	28	-	-	9
7	Loan received						
	Navneet Education Limited	35,000	-	-	45,000	-	-
8	Interest accrued on Compulsory Convertible Debentures ('CCD') (classified under equity)						
	Amit K. Gala	-	-	2	-	-	2



Esense Learning Private Limited

Notes on Financial Statements for the year ended 31st March 2020

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	2019-2020			2018-2019		
		Holding Company (also Ultimate holding company)	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel (KMP)	Holding Company (also Ultimate holding company)	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel (KMP)
B.	Closing balances as at year end:						
1	Loan from Holding Company Navneet Education Limited	80,000	-	-	45,000	-	-
2	Interest accrued and due Navneet Education Limited	2,784	-	-	-	-	-
3	Expenses payable [Rent] Navneet Education Limited	907	-	-	-	-	-
4	Advances received from customers Navneet Education Limited	11,580	-	-	-	-	-
5	Trade receivable Navneet Foundation	6	-	-	-	-	-
6	Equity component of CCD (including premium) Amit K. Gala (CFO and Director)	-	-	2,650	-	-	2,650
7	Employees Payable (Salary & Wages) Harshil Anil Gala (Director)	-	-	88	-	-	-
	Amit K. Gala (CFO and Director)	-	-	321	-	-	-
	Harshad N. Patel (Company)	-	-	37	-	-	-

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 thousands (Previous Year: Rs. 1,65,000 thousands). Refer note 17.1.
- 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.
- Above amounts are including taxes (wherever applicable).

