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## BOARD OF DIRECTORS

Mr. Amrut P. Shah	:	Chairman
Ms. Riddhi A. Shah	:	Whole-Time Director
Mr. Chirag K. Gala	:	Whole-Time Director
Mr. Shantilal P. Shah	:	Director
Mr. Hasmukh A. Gada	:	Director
Ms. Komal M. Khakhar	:	Company Secretary (w.e.f. 13 <sup>th</sup> March 2012)
AUDITORS	:	M/s Bhuta Shah & Co. Chartered Accountants, Mumbai
BANKER	:	State Bank of India
REGISTERED OFFICE	:	903, Dev Plaza, Opp. Andheri Fire Station, S.V.Road, Andheri (W), Mumbai – 400058, INDIA

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## NOTICE

To,  
The Members,  
E-class Education System Limited  
(Formerly known as Sundaram Edusys Private Limited)

NOTICE is hereby given that the Third Annual General Meeting of the Members of E-class Education System Limited (Formerly known as Sundaram Edusys Private Limited) will be held on Wednesday, 26<sup>th</sup> September, 2012 at 11.00 a.m. at the Registered Office of the Company at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 and Statement of Profit and Loss Account for the year ended on that date and the Schedules together with the Reports of the Directors' and Auditors' thereon.
2. To appoint Director in place of Mr. Amrut P. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company.  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** M/s. Bhuta Shah & Co., Chartered Accountants, Mumbai, having firm registration no.101474W, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration for the period.”

**By Order of the Board  
For E-class Education System Limited**

**Komal M. Khakhar**  
Company Secretary

Mumbai on this 07<sup>th</sup> Day of August 2012

### REGISTERED OFFICE:

903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058, INDIA.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
3. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

## Directors' Reports

To,  
The Members,  
E-class Education System Limited  
(Formerly known as Sundaram Edusys Private Limited)

The Directors of your Company have pleasure in presenting herewith the Third Annual Report of your Company together with the Audited Balance Sheet and Statements of Accounts for the Year ended 31<sup>st</sup> March 2012.

### 1. FINANCIAL HIGHLIGHTS & OPERATIONS:

The Financial Highlights of the Company are as follows:

(Amount in ₹)

Particulars	2011-12	2010-11
Total Income	49,323,956	25,006,535
Profit/(Loss) Before Interest, Depreciation & Tax	(3,141,645)	(21,881,221)
Less:		
Interest & Financial Cost	21,849,296	3,114,954
Profit/(Loss) Before Depreciation & Tax	(24,990,940)	(24,996,175)
Less: Depreciation	17,674,710	3,176,860
Less: Deferred Tax	(13,953,850)	(9,135,835)
Profit/(Loss) After Tax	(28,711,800)	(19,037,200)
Add: Balance Brought Forward From Earlier Years	(19,037,200)	Nil
Appropriations	Nil	Nil
Balance Carried Forward To Balance Sheet	(47,749,000)	(19,037,200)

### REVIEW OF OPERATIONS:

- During the Year under review the Company has successfully penetrated the market with the 100 % syllabus based quality digital animation content for State Board K-10 segment of Maharashtra State in English, Marathi and Semi-English Medium. Company has achieved sales turnover of ₹ 4.93 Crores as compared to ₹ 2.50 Crores for the year 2010-11 registering a growth of 97.20%. With the Government's emphasis on e-learning and positive response from the students, teachers, parents and coaching classes, the Company is optimistic about the rising of sales in the coming years.
- The Company has signed a MOU with AICPTR (All India Council for Professional Training & Research) for distribution of "Eclass" system across Maharashtra State through more than 900 computer centers to reach district, tehsil and village level marketing.
- The Company has launched 'Eclass tablet' which has a 7" touch screen with eight to twelve hours battery life, 1.2 Ghz processing speed and a built-in memory of 8GB expandable up to 64GB, it has Android 2.3, USB port and also an external 3G dongle which can be attached for internet. This tablet has inbuilt "Eclass" content. There are two models basic and premium. It has also developed its own online educational portal.
- As part of Back to School 2012 Campaign the Company has set up huge distribution network across 30 districts in Maharashtra. Massive Marketing and Advertising is being conducted through Radio, Magazines, Outdoor Media and Newspapers. The Company has also conducted several Memory Improvement Workshop with Parents, Students and Teachers to give the benefit of "Eclass" to each and every student of Maharashtra and to upgrade and empower the schools of Maharashtra with e-learning.

The current year response is encouraging and your Directors are hopeful to maintain the growth and improve the profitability.

### 2. Industry Overview, Opportunities and Risk Concerns:

#### • Industry overview

The Indian education sector is one of the largest education markets (in terms of the potential number of students) in the world. India is projected to have the world's largest population under 20years – 468 million in 2015 which is 40% higher than China's projected population under 20years at 318 million in the same timeframe. Also, India

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is expected to grow at 7.4% over 2014-15 according to a recent World Bank Report despite the slump in the recent times. The favorable demographics need to be converted in a virtuous cycle of acceleration in growth and Education is one of the critical inputs to securing demographic dividend. The size of the Indian education space is estimated at USD 25.6 bn, which is slated to grow at a rate of 22% per annum. Growth is expected across segments, most prominently in K-12 and higher education, valued at USD 11.5 bn and USD 8.6 bn, respectively. The growth rates could be higher in case regulatory changes are introduced. (Edelweiss-Indian Education Report, October 2009).

- **Favorable Government Initiative/ opportunities:**

The Challenge in education sector is delivering quality education to all. The Government has taken several measures to improve education at elementary level in the country and introducing education through ICT (Information & Communication Technology). The Government is focusing on bridging the digital divide in India through RTE Act, Sarva Shiksha Abhiyan and allocation of nearly \$1 bn in 11<sup>th</sup> plan for the National Mission on Education through ICT. In this plan Government has primarily focused on ICT in schools and an amount of ₹. 5000 Crore has been allocated for providing ICT infrastructure in schools. This amount would be used for setting up a networked computer lab in each school. Every school will also have a technology classroom, with audio visual equipment for enhancing the learning. A dedicated programme for content creation as per the curriculum will be undertaken as an integral part of this initiative. This revamped scheme of ICT in schools will be implemented in partnership with the States and Private providers.

The Central Advisory Board of Education unanimously adopted the National Policy on ICT in School Education (NPISE). For currently neglected primary, secondary and higher education, ICT offers a magical opportunity to rapidly create 21<sup>st</sup> century learning environment.

As a result of the present scenario and massive Government allocation for education segment, K-12 segment is one of the fastest growing segments and your Company has great future. Currently your Company is focusing in the state of Maharashtra however; there exists the great potential for your Company to be nationwide provider of educational content under the brand name “*Eclass*”.

- **Threat and Risk**

On the other hand the Company is exposed to the risk of piracy and misuse of educational content developed, which can result in loss of revenue. However your Company has taken necessary steps to protect the content from piracy. Also the Company's Performance largely depends on the Government's policies on education and allocation of budget towards education. Any adverse change in the Government's policies towards education will materially affect the performance of the Company. Further the Company's business involves installation of large number of computer system and other electronic equipments. Such electronic equipments are prone to hardware/ software malfunction, virus attacks, hacking and technological obsolescence. If any such event occurs, we run the risk of disruption of our operations.

### **3. DIVIDEND:**

Your Directors regret their inability to recommend any dividend during the year under review.

### **4. TRANSFER TO RESERVES:**

During the year under review the Company has not transferred any amount to reserves.

### **5. CHANGE OF NAME AND STATUS OF THE COMPANY:**

- The Shareholders of the Company on 12<sup>th</sup> December 2011 by passing a Special Resolution approved change of name of the Company from “Sundaram Edusys Private Limited” to “E-class Education System Private Limited.” The Company got the approval of the Central Government on 15<sup>th</sup> December 2011.
- The Shareholders of the Company on 22<sup>nd</sup> December 2011 by passing a Special Resolution approved the change in the status of the Company from “Private Limited” to “Public Limited”. The Company got the approval of Central Government on 28<sup>th</sup> December 2011.

### **6. CHANGE IN THE CAPITAL STRUCTURE:**

- The Shareholders of the Company on 4<sup>th</sup> March 2012 by passing an Ordinary Resolution approved increase in the Authorised Capital of the Company from ₹ 100,000,000 (Ten Crores) divided into 10,000,000 Equity Shares of ₹ 10/- each to ₹ 250,000,000 (Twenty Five Crores) divided into 25,000,000 Equity Shares of face value of ₹ 10/- each).
- With the approval of the Shareholders by Special Resolution on 4<sup>th</sup> March 2012 the Board of Directors of your Company has further allotted 1,01,00,000 (One Crore One Lac) Equity Shares of face value of ₹10/- (Rupees Ten Only) each at par to Sundaram Multi Pap Limited, Holding Company of the Company on preferential basis.

## **7. MATERIAL CHANGES AND COMMITMENTS:**

There have been no such changes or commitments affecting the financial position from the end of the financial year 2011-2012 till date of this report as may be deemed to be material enough to affect the financial position of the Company, otherwise than in the normal course of business.

The Company has no subsidiary.

## **8. DIRECTORS:**

As per Section 255 and 256 of the Companies Act, 1956 Mr. Amrut P. Shah, Chairman of the Company is liable to retire by rotation and further being eligible, offer himself for reappointment at the ensuing Annual General Meeting. The Board of Directors recommends his reappointment for your approval.

None of the Directors of your Company are disqualified as per the provision of Section 274(1) (g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act.

## **9. AUDIT COMMITTEE:**

As per the requirements of Section 292A (1) of the Companies Act, 1956 the Board of Directors of the Company in their meeting held on 13<sup>th</sup> March 2012 has constituted a committee of Board known as " Audit Committee " consisting of three Directors of the Company namely Mr. Chirag K. Gala, Mr. Shantilal P. Shah and Mr. Hasmukh A. Gada.

## **10. AUDITORS' REPORT:**

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

## **11. AUDITORS:**

M/s Bhuta Shah & Co, Chartered Accountants and Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. However, being eligible, offer themselves for re-appointment as the Statutory Auditors of the Company.

M/s Bhuta Shah & Co. have confirmed their appointment, if made will be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

## **12. COMPANY SECRETARY:**

As per the requirements of Section 383A of the Companies Act, 1956 the Board of Directors of the Company in their meeting held on 13<sup>th</sup> March 2012 has appointed Ms. Komal M. Khakhar as a Company Secretary of the Company.

## **13. INSURANCE:**

All the assets of the Company, wherever necessary and to the extent required, have been insured.

## **14. FIXED DEPOSITS:**

The Company has not invited/accepted/renewed any fixed deposits as per the provisions of Section 58A of the Companies Act 1956 from the public during the year.

## **15. HOLDING COMPANY:**

Your Company is a Wholly-owned Subsidiary Company of Sundaram Multi Pap Limited, an Indian Listed Company.

## **16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:**

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed in terms of Section 217 (1) (e) of Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is as follows:

- **Details of Energy Conservation:**  
Wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost.
- **Technology Absorption:**  
This clause is not applicable to the Company during the financial year under consideration.

• **Foreign Exchange Earnings and Outgo:**

(Amount in ₹)

	<b>2011-2012</b>	<b>2010-2011</b>
Foreign Exchange Earnings:	Nil	Nil
Foreign Exchange Outgo:	1,94,482/-	4,25,075/-

**17. PARTICULARS OF EMPLOYEES:**

There were no employees of the Company during the financial year 2011-2012, as are required to be mentioned under Section 217 [2A]. Therefore the statement for the same is not attached.

**18. DIRECTORS' RESPONSIBILITY STATEMENT:**

In Compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed except as mentioned in notes to the accounts and no material departures have been made from the same,
- b) The Directors have 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 profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis.

**19. ACKNOWLEDGEMENT:**

Your Directors would like to place on record its sincere appreciation for the wholehearted support and contribution made by all employees of the Company as well as its valuable clients, bankers and business associates for extending their full co-operation.

**By Order of the Board**  
**For E-class Education System Limited**

**Amrut P. Shah**  
Chairman

Mumbai on this 07<sup>th</sup> Day of August 2012

**REGISTERED OFFICE:**

903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058, INDIA.

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## Auditors' Report

To,

**THE MEMBERS,**

**E-CLASS EDUCATION SYSTEM LIMITED (Formerly known as SUNDARAM EDUSYS PRIVATE LIMITED)**

1. We have audited the attached Balance Sheet of **E-CLASS EDUCATION SYSTEM LIMITED (Formerly known as SUNDARAM EDUSYS PRIVATE LIMITED) (the Company)** as at 31<sup>st</sup> March 2012, Statement of Profit and loss, and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order 2004 (hereinafter referred to as "the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have 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 the law have been kept by the Company in so far as it appears from our examination of the books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956.
  - e) Based on the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that, none of the directors are prima-facie, disqualified as on 31<sup>st</sup> March, 2012 from being appointed as directors of the Company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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- (i) in the case of Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2012,
  - (ii) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date, and
  - (iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **Bhuta Shah & Co.**  
*Chartered Accountants*  
(Firm Registration No. 101474W)

**CA. Mitesh Kothari**  
[Partner]  
M. No. 110822

Place : Mumbai  
Date : 30<sup>th</sup> May 2012



## Annexure To The Auditors' Report

ANNEXURE referred to in paragraph (3) of our report of even date on the Accounts for the year ended 31<sup>st</sup> March 2012 of **E-CLASS EDUCATION SYSTEM LIMITED (Formerly known as Sundaram Edusys Private Limited)**.

- (i)
  - (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
  - (b) In our opinion and according to the explanations given to us, these assets have been physically verified by the management during the year in a phased manner, which is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
  - (c) No substantial part of fixed assets has been disposed off during the year which will affect the going concern principle.
- (ii)
  - (a) As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories and no material discrepancies have been noticed on physical verification conducted by the management. The discrepancies noticed on verification between physical inventories and book records have been properly dealt with in the books of account.
- (iii)
  - (a) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under 301 of the Companies Act. Accordingly, paragraph 4(iii) clause no. b, c and d of the Order are not applicable.
  - (b) The company has taken unsecured loan from a holding company. The maximum amount involved during the year is ₹ 188,914,290/ – and the year-end balance of loan taken from such party is ₹ 92,597,942/-.
  - (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from company are not, prima facie, prejudicial to the interest of the company.
  - (d) There is no stipulation for repayment of the above loans. Therefore, the question of repayment being regular does not arise.
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal control system.
- (v)
  - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contract or arrangements entered in the contracts maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- (vi) According to the information given to us, the Company has not accepted any deposit from public as defined under section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, during the year under review and as such reporting under this clause is not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
- (ix) (a) According to the information and explanation given to us and according to the books and records produced and examined by us, the Company has been regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise duty / cess and any other statutory dues, to the extent wherever applicable, with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2012 for a period of more than six months from the date they become payable.
- (b) As explained to us and according to the records of the Company, there were no disputes pending in respect of Income tax, Wealth Tax, Service Tax, Excise Duty / Cess, Customs duty and other statutory dues applicable to the Company as on 31-3-2012.
- (x) The Company has accumulated losses at the end of the year amounting to ₹ 47,749,000 / – and has incurred cash losses of ₹ 24,990,940/ – during the current financial year. The company had accumulated losses of ₹ 19,037,200/ – and had incurred cash losses of ₹ 24,990,940/ – in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) According to the information and explanation given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, considering the nature of the business carried on during the year, the Company is not a chit fund or nidhi / mutual benefit fund / society. In view of the above, the said clause (xiii) is not applicable to the company.
- (xiv) According to information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loan during the year and hence the question of its utilization does not arise.
- (xvii) According to the information and explanation given to us and on the overall examination of the balance sheet of the company, we report that no term loans are raised by the company.
- (xviii) The Company has made preferential allotment of 10,100,000 shares during the year to Sundaram Multi Pap Limited, holding company which is covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Bhuta Shah & Co.**  
Chartered Accountants  
(Firm Registration No. 101474W)

**CA Mitesh Kothari**  
Partner  
M. No. 110822

Place : Mumbai  
Date : 30<sup>th</sup> May 2012

**E-class Education System Limited**  
(Formerly known as Sundaram Edusys Private Limited)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

Particulars	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
		₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholder's Funds</u></b>			
Share Capital	1	150,000,000	49,000,000
Reserves and Surplus	2	(47,749,000)	(19,037,200)
		<b>102,251,000</b>	<b>29,962,800</b>
<b><u>Non-Current Liabilities</u></b>			
Long-Term Borrowings		-	-
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long Term Provisions		-	-
		-	-
<b><u>Current Liabilities</u></b>			
Short-Term Borrowings	3	92,597,942	137,194,246
Trade Payables	4	4,764,981	6,052,945
Other Current Liabilities	5	5,463,077	1,978,955
Short-Term Provisions		-	-
		<b>102,825,999</b>	<b>145,226,146</b>
<b>Total Equity &amp; Liabilities</b>		<b>205,076,999</b>	<b>175,188,946</b>
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
<b><u>Fixed Assets</u></b>			
Tangible Assets	6A	10,507,244	11,277,108
Intangible Assets	6B	92,553,743	75,708,187
Capital Work-in-Progress		-	21,208,722
		<b>103,060,987</b>	<b>108,194,017</b>
Non-current investments		-	-
Deferred Tax Assets (net)	7	23,089,684	9,135,835
Long term Loans and Advances	8	3,306,185	2,453,200
Other Non-current Assets		-	-
		<b>129,456,856</b>	<b>119,783,052</b>
<b><u>Current Assets</u></b>			
Current investments		-	-
Inventories	9	37,928,311	28,668,556
Trade receivables	10	32,534,260	16,002,271
Cash and cash equivalents	11	2,356,616	3,492,600
Short-term loans and advances	12	2,800,956	7,242,467
Other current assets		-	-
		<b>75,620,142</b>	<b>55,405,894</b>
<b>Total Assets</b>		<b>205,076,999</b>	<b>175,188,946</b>

*Significant Accounting Policies  
Notes on financial statements.  
As per our report of even date.*

1 to 30

**For Bhuta Shah & Co.**  
Chartered Accountants  
Firm Reg. No. : 101474W

**FOR E-CLASS EDUCATION SYSTEM LTD.**

**CA Mitesh Kothari**  
Partner  
Membership No. : 110822

**Amrut P. Shah**      **Chirag K. Gala**  
Chairman      Whole-time Director

Place : Mumbai  
Date : 30th May 2012

**Riddhi A. Shah**      **Komal M. Khakhar**  
Whole-time Director      Company Secretary

**E-class Education System Limited**  
(Formerly known as Sundaram Edusys Private Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Notes	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>Income</b>		₹	₹
Revenue from operations	13	49,323,956	25,006,535
Other Income		-	-
<b>Total Revenue (I)</b>		<b>49,323,956</b>	<b>25,006,535</b>
<b>Expenses:</b>			
Cost of materials consumed	14	13,152,545	3,923,206
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods and Work-in-progress		-	-
Employee Benefit Expense	15	12,135,842	7,563,846
Finance Cost	16	21,849,296	3,114,954
Depreciation and Amortization Expense	17	17,674,710	3,176,860
Other Expenses	18	27,177,214	35,400,704
<b>Total (II)</b>		<b>91,989,607</b>	<b>53,179,570</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax (I) - (II)</b>		<b>(42,665,650)</b>	<b>(28,173,035)</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>(42,665,650)</b>	<b>(28,173,035)</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(42,665,650)</b>	<b>(28,173,035)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(13,953,850)	(9,135,835)
(3) Short / (Excess) Provision of earlier years		-	-
<b>Total Tax Expense</b>		<b>(13,953,850)</b>	<b>(9,135,835)</b>
<b>Profit / (Loss) after tax</b>		<b>(28,711,800)</b>	<b>(19,037,200)</b>
Earning per equity share:			
(1) Basic		(5.32)	(3.89)
(2) Diluted		(5.32)	(3.89)

Significant Accounting Policies  
Notes on Financial Statements  
As per our report of even date.

1 to 30

**For Bhuta Shah & Co.**  
Chartered Accountants  
Firm Reg. No. : 101474W

**FOR E-CLASS EDUCATION SYSTEM LTD.**

**CA Mitesh Kothari**  
Partner  
Membership No. : 110822

**Amrut P. Shah**      **Chirag K. Gala**  
Chairman      Whole-time Director

**Riddhi A. Shah**      **Komal M. Khakhar**  
Whole-time Director      Company Secretary

Place : Mumbai  
Date : 30th May 2012

**E-class Education System Limited**  
(Formerly known as Sundaram Edusys Private Limited)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	April 1, 2011 - March 31, 2012		April 1, 2010 - March 31, 2011	
	Amount in ₹		Amount in ₹	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/(Loss) before Tax and Extraordinary items</b>		(42,665,650)		(28,173,035)
<i>Adjustment for :</i>				
Depreciation	17,674,710		2,344,660	
Interest Income	-			
Dividend Income			832,200	
Preliminary Expenses W/off			3,114,954	
Interest Paid	21,849,296		-	
(Profit)/Loss on Sale of Assets (Net)	699			
		<b>39,524,705</b>		<b>6,291,814</b>
<b>Operating profit before working capital changes</b>		<b>(3,140,946)</b>		<b>(21,881,221)</b>
<i>Adjustment for :</i>				
Trade Receivables	(16,531,989)		(16,002,271)	
Inventories	(9,259,755)		(28,515,006)	
Loans & Advances	3,588,526		(5,508,379)	
Trade Payables	(1,287,964)			
Other Liabilities & Provisions	3,484,122		(6,916,307)	
		<b>(20,007,060)</b>		<b>(56,941,963)</b>
<b>Cash generated from operations</b>		<b>(23,148,006)</b>		<b>(78,823,184)</b>
Direct Taxes paid(Net)		-		
<b>NET CASH FLOW OPERATING ACTIVITIES</b>		<b>(23,148,006)</b>		<b>(78,823,184)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Tangible Fixed Assets (Net)	(12,582,380)		(89,329,955)	
Sale of Tangible Fixed Assets	40,000			
Purchase of Equity Shares of Subsidiary			46,448,167	
Investment in Capital Work in Progress				
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(12,542,380)</b>		<b>(42,881,788)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Repayment of loan to Holding Company	(44,596,304)		131,951,534	
Proceeds from Borrowings	-			
Proceeds from Issue of Share Capital	101,000,000			
Interest Received				
Interest Paid	(21,849,296)		(3,114,954)	
Dividend Paid (Incl. of Tax)				
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>34,554,400</b>		<b>128,836,580</b>
<b>NET Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>		<b>(1,135,985)</b>		<b>7,131,608</b>
<b>Cash and Cash equivalent at beginning of the year</b>	3,492,600		(3,639,008)	
<b>Cash and Cash equivalent at end of the year</b>	2,356,615		3,492,600	
<b>Net Increase/(Decrease)</b>		<b>(1,135,985)</b>		<b>7,131,608</b>

**Note:**

- 1 Cash and cash equivalents consists of Cash on hand and Balance with banks.
- 2 The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- 3 Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board

**For Bhuta Shah & Co.**

Chartered Accountants  
Firm Reg. No. : 101474W

**CA Mitesh Kothari**

Partner  
Membership No. : 110822

**Amrut P. Shah**      **Chirag K. Gala**  
Chairman      Whole-time Director

**Riddhi A. Shah**      **Komal M. Khakhar**  
Whole-time Director      Company Secretary

Place : Mumbai  
Date : 30th May 2012

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## SIGNIFICANT ACCOUNTING POLICIES :

### i. Accounting Conventions:

The financial statements are prepared on accrual basis under historical cost convention and as a going concern and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956. Accounting policies not disclosed separately otherwise are in consonance with generally accepted accounting principles.

### ii. Use of Estimates:

Preparation of financial statements in conformity of generally accepted accounting practices requires that the Management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

### iii. Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

### iv. Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or estimates made by the management. Depreciation on addition/deletion of assets during the year is provided on pro-rata basis. Knowledge Based Content is amortized over a period of six years on straight line basis as decided by the management.

### v. Investment:

Long term investments are stated at cost. Provision for diminution in the value is made only if such decline is other than temporary.

Current investments are valued at lower of the cost or market value, determined on individual investment basis.

### vi. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus proportionate manufacturing overheads. Finished goods and trading goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

### vii. Revenue Recognition:

Income is recognized on transfer of property in goods, as per the agreed terms. The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

### viii. Retirement Benefits:

Contribution to Provident Fund and ESIC are recognized as expense as and when accrued. Leave Encashment is accounted as and when accrued and claimed.

### ix. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of these transactions are recognized in the statement of profit and loss.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the balance sheet and resulting exchange difference is recognized in the statement of profit and loss. Non monetary foreign currency items are carried at cost.

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**x. Borrowing Cost:**

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit & loss.

**xi. Provision for Taxes:**

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

Deferred tax arising due to timing difference between the book profit and tax profit for the year is accounted for, using the tax rate and laws that are substantively enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realized in future.

**xii. Impairment of Fixed Assets:**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

**xiii. Leases:**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

**xiv. Contingent Liability:**

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

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

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## Notes to Financial Statements

### NOTE 1 : SHARE CAPITAL

	As at 31 st March, 2012	As at 31 st March, 2011
	₹	₹
<b><u>AUTHORIZED CAPITAL</u></b> 25,000,000 (P.Y. 10,000,000) Equity Shares of ₹ 10/- each (Authorised Capital is increased from ₹. 100,000,000/- to Rs. 250,000,000/- w.e.f 04-03-2012)	250,000,000	100,000,000
	250,000,000	100,000,000
<b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b> 15,000,000 (P.Y. 4,900,000) Equity Shares of ₹ 10/- each (10,100,000 Equity Shares of ₹ 10/- each have been allotted in Board Meeting dtd. 13-03-2012)	150,000,000	49,000,000
<b>Total of issued, subscribed and fully paid up share capital</b>	<b>150,000,000</b>	<b>49,000,000</b>

a) **The reconciliation of the number of shares is set out below:**

Particulars	31-Mar-12		31-Mar-11	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	4,900,000	49,000,000	4,900,000	49,000,000
Shares Issued during the year	10,100,000	101,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,000,000	150,000,000	4,900,000	49,000,000

b) **Terms and Rights attached to Equity Shareholders:**

The Company has only one class of Equity Shares having a face value of ₹. 10/- per share. Each holder of Equity Shares is entitled to one vote per Equity Share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All Equity Shares of the Company rank pari passu in all respects including the right to dividend. The dividend is recommended by the Board of Directors and declared by the members at the ensuing Annual General Meeting. The Board of Directors have a right to deduct from the dividend payable to any member any sum due from him to the Company.

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of Equity Shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

The Shareholders have all other rights as available to Equity Shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

c) **The Company is a 100% Subsidiary Company of Sundaram Multi Pap Limited.**

d) **The details of share holders holding more than 5% shares**

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sundaram Multi Pap Limited	15,000,000	100	4,900,000	100



## NOTE 2 : RESERVES &amp; SURPLUS

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
(a) Capital Reserve	-	-
(b) Capital Redemption Reserve	-	-
(c) Securities Premium reserve	-	-
(d) General Reserve		
Opening Balance	-	-
Add: Transfer from Statement of Profit and Loss	-	-
<b>General Reserve- closing balance</b>	-	-
(e) <b>Surplus/ (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(19,037,200)	-
Add: Net Profit/(Loss) for the year	(28,711,800)	(19,037,200)
<b>Balance Available for Appropriation</b>	<b>(47,749,000)</b>	<b>(19,037,200)</b>
<u>Less: Appropriations</u>		
- Proposed Dividend	-	-
- Dividend Distribution Tax	-	-
- Transfer to General Reserve	-	-
<b>Closing Balance</b>	<b>(47,749,000)</b>	<b>(19,037,200)</b>
<b>Total of Reserves &amp; Surplus</b>	<b>(47,749,000)</b>	<b>(19,037,200)</b>

## NOTE 3 : SHORT TERM BORROWINGS

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
<b><u>Loan Repayable on Demand</u></b>		
<u>Secured</u>		
- From Bank	-	-
- From Other Parties	-	-
<u>Unsecured</u>		
- From Bank	-	-
<u>Others</u>		
Loans & Advances From Holding Company, Sundaram Multipap Limited	92,597,942	137,194,246
<b>Total of Short Term Borrowings</b>	<b>92,597,942</b>	<b>137,194,246</b>

## NOTE 4 : TRADE PAYABLES

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
Trade Payable	4,764,981	6,052,945
(Refer Note 24 for details of dues to Micro, Small and Medium Enterprises)	-	-
<b>Total of Trade Payable</b>	<b>4,764,981</b>	<b>6,052,945</b>

## NOTE 5 : OTHER CURRENT LIABILITIES

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
Current maturities of long-term debt		
Term Loans	-	-
Vehicle Loans	-	-
Advance from Customers	1,911,530	1,314,595
Interest accrued but not due on borrowings	-	-
Unpaid Dividends	-	-
<u>Other Payables</u>		
Outstanding expenses	1,441,873	-
Outstanding Statutory Liabilities	1,589,674	664,360
Trade Deposits	520,000	-
<b>Total of Other Current Liabilities</b>	<b>5,463,077</b>	<b>1,978,955</b>

## NOTE :6 - FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block		
	As on 1st April, 2011	Additions During the Year	Deductions During the Year	As on 31st March, 2012	As on 1st April, 2011	For the Year	Deductions During the Year	As on 31st March, 2012	As on 31st March, 2011
<b>(A) Tangible Assets</b>									
Furniture & Fixtures	7,799,970	29,500	-	7,829,470	82,290	494,131	-	7,253,049	7,717,680
Office Equipments	3,658,262	339,334	48,500	3,949,096	98,834	603,866	7,801	3,254,196	3,559,428
<b>Total Tangible Assets</b>	<b>11,458,232</b>	<b>368,834</b>	<b>48,500</b>	<b>11,778,566</b>	<b>181,124</b>	<b>1,097,997</b>	<b>7,801</b>	<b>10,507,245</b>	<b>11,277,108</b>
<b>(B) Intangible Assets</b>									
Knowledge Based Content	77,871,723	32,300,076	-	110,171,799	2,163,536	16,539,025	-	91,469,238	75,708,187
Website	-	1,122,192	-	1,122,192	-	37,688	-	1,084,504	-
<b>Total Intangible Assets</b>	<b>77,871,723</b>	<b>33,422,268</b>	<b>-</b>	<b>111,293,991</b>	<b>2,163,536</b>	<b>16,576,712</b>	<b>-</b>	<b>92,553,743</b>	<b>75,708,187</b>
<b>TOTAL (A+B)</b>	<b>89,329,955</b>	<b>33,791,102</b>	<b>48,500</b>	<b>123,072,557</b>	<b>2,344,660</b>	<b>17,674,709</b>	<b>7,801</b>	<b>103,060,988</b>	<b>86,985,295</b>
<b>Previous Year</b>	<b>-</b>	<b>89,329,955</b>	<b>-</b>	<b>89,329,955</b>	<b>-</b>	<b>2,344,660</b>	<b>-</b>	<b>86,985,295</b>	<b>-</b>

## NOTE 7 : DEFERRED TAX ASSETS (NET)

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
Asset related to losses	29,178,785	12,015,907
Less: Liability related to Fixed Assets	6,089,101	2,880,072
<b>TOTAL</b>	<b>23,089,684</b>	<b>9,135,835</b>
Less: Opening Net deferred tax asset	9,135,835	-
<b>Net Deferred Tax credited to Statement of Profit And Loss</b>	<b>13,953,849</b>	<b>9,135,835</b>

## NOTE 8 : LONG TERM LOANS AND ADVANCES

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
<b>Capital Assets Advance</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
<b>Security Deposit</b>		
a) Secured, Considered Good :	3,306,185	2,453,200
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
<b>Loans &amp; Advances to related parties</b>	-	-
<b>Other Loans &amp; Advances</b>	-	-
<b>Prepaid Expenses</b>	-	-
<b>Total of Long Term Loans and Advances</b>	<b>3,306,185</b>	<b>2,453,200</b>

## NOTE 9 : INVENTORIES

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
Raw Material	37,928,311	28,668,556
<b>Total Inventories</b>	<b>37,928,311</b>	<b>28,668,556</b>

## NOTE 10 : TRADE RECEIVABLES

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
<b>Debts Overdue by six months</b>		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good	-	-
c) Doubtful	-	-
<b>Others</b>		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good	32,534,260	16,002,271
c) Doubtful	-	-
<b>Total of Trade Receivables</b>	<b>32,534,260</b>	<b>16,002,271</b>

## NOTE 11 : CASH &amp; CASH EQUIVALENT

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
<b>Cash-in-Hand</b>		
Cash Balance	1,847,489	1,545,481
<b>Sub Total (A)</b>	<b>1,847,489</b>	<b>1,545,481</b>
<b>Bank Balance</b>		
In Current Accounts	509,127	1,947,119
<b>Sub Total (B)</b>	<b>509,127</b>	<b>1,947,119</b>
<b>Total of Cash &amp; Cash Equivalent (A) + (B)</b>	<b>2,356,616</b>	<b>3,492,600</b>

## NOTE 12 : SHORT TERMS LOANS AND ADVANCES

	₹	₹
	As at 31 st March, 2012	As at 31 st March, 2011
<b>Loans &amp; Advances to related parties</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :		
c) Doubtful	-	-
<b>Others</b>		
<i>Advance Recoverable in cash or in kind or for value to be received, considered good</i>		
Advance to Suppliers	1,131,030	4,609,753
Balance With Revenue Authorities	1,658,448	1,688,473
Prepaid Expenses	478	944,241
Advance To Employees	11,000	-
<b>Total of Short Terms Loans and Advances</b>	<b>2,800,956</b>	<b>7,242,467</b>

## NOTE 13 : REVENUE FROM OPERATIONS

	₹	₹
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Sales	49,323,956	25,006,535
<b>Total of Revenue from Operations</b>	<b>49,323,956</b>	<b>25,006,535</b>

## NOTE 14 : COST OF MATERIAL CONSUMED

	₹	₹
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>Raw Material Consumed</b>		
Opening Stock	28,668,556	153,550
Add: Purchases	22,412,300	32,432,038
Transport Inward	-	6,174
	<b>51,080,856</b>	<b>32,591,762</b>
Less: Closing Stock	37,928,311	28,668,556
<b>Total of Cost of Materials Consumed</b>	<b>13,152,545</b>	<b>3,923,206</b>

## NOTE 15 : EMPLOYMENT BENEFIT EXPENSES

	₹	₹
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Salaries & Wages	8,753,958	6,605,708
Contribution to Provident Fund, Gratuity Fund & Other Funds	157,820	42,246
Directors' Remuneration	3,000,000	600,000
Staff Welfare	224,064	315,892
<b>Total of Employee Benefits Expenses</b>	<b>12,135,842</b>	<b>7,563,846</b>

## NOTE 16 : FINANCE COST

	₹	₹
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Interest Cost	23,320,397	14,438,187
Less: Interest Capitalised	1,522,349	11,323,233
	21,798,048	3,114,954
<u>Other borrowing costs</u>		
Bank and Finance Charges	24,352	-
Delay Interest On Payment of Statutory dues	26,896	-
<b>Total of Financial Costs</b>	<b>21,849,296</b>	<b>3,114,954</b>

## NOTE 17 : DEPRECIATION &amp; AMORTIZATION EXPENSE

	₹	₹
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Depreciation	1,097,998	181,124
Amortisation of Intangibles	16,576,712	2,163,536
Preliminary Expenses written off	-	832,200
<b>Total of Depreciation &amp; Amortisation Expense</b>	<b>17,674,710</b>	<b>3,176,860</b>

## NOTE 18 : OTHER EXPENSES

	₹	₹
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Rent Expenses	3,127,010	3,266,226
Repair & Maintenance Building	484,339	852,261
Insurance Expenses	30,270	-
Motor Car Expenses	45,489	-
Travelling Expenses	627,506	1,946,417
Computer Maintenance	312,312	-
Conveyance Expenses	54,093	-
Postage & Courier	161,914	-
Legal, Professional & Consultancy Charges	2,584,700	6,520,601
Printing & Stationery	61,434	197,370
Auditors Remuneration (Refer Note 23)	133,802	50,000
Sales Promotion & Advertisement Expenses	13,072,604	19,566,948
Donation	7,000	-
Job Work Expenses	3,995,308	1,378,787
Freight, Clearing & Forwarding Charges	60,536	-
Commission Charges	105,662	-
Electricity Expenses	216,320	211,609
Listing & Registration Fees	251,159	414,488
Loss on Sale of Assets (Net)	699	-
Stamp Duty	1,151,000	-
Sundry Balance written off	355,839	-
Telephone Expenses	305,478	597,711
Sundry Expenses	32,741	398,286
<b>Total of Other Expenses</b>	<b>27,177,214</b>	<b>35,400,704</b>

## Note 19

Contingent Liability: Nil

## Note 20

In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

## Note 21

Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / adjustments.

## Note 22

Since, Gratuity Act, 1972 is not applicable to the Company; no provision is made towards Gratuity Liability.

## Note 23

Auditors Remuneration:

(Amount in ₹)

Particulars	Current Year	Previous Year
Audit fees	50,000	40,000
Tax Audit Fees	20,000	10,000
Others	63,802	-
Total	133,802	50,000

## Note 24

### Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

## Note 25

### Segment Reporting:

The Company operates in single business segment of development and sale of software for educational content. Hence further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.

## Note 26

### Related Party Disclosures:

a) List of Related Parties & Relationships :

Relationship	Name	Nature
Holding Company	Sundaram Multi Pap Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Director
	Mr. Chirag K. Gala	Whole-time Director
	Ms. Riddhi A. Shah	Whole-time Director
	Mr. Has Mukh A. Gada	Director
	Mr. Shantilal P. Shah	Director
	Mr. Hardik A. Shah	Son of Mr. Amrut P. Shah

b) Transactions during the year ended 31st March 2012 with Related Parties:

(Amount in ₹)

Particulars	Holding Company	KMP
Issue of Equity Shares to Sundaram Multi Pap Limited	101,000,000 (49,000,000)	-
Loan Received from Sundaram Multi Pap Limited	56,231,571 (155,179,895)	-
Loan Repayment to Sundaram Multi Pap Limited	23,148,272 (30,10,000)	-
Interest paid to Sundaram Multi Pap Limited	23,320,397 (14,437,929)	-
Remuneration		
Mr. Chirag K. Gala	-	1,500,000
	(-)	(600,000)
Ms. Riddhi A Shah	-	1,500,000
	(-)	(-)
Mr. Hardik A. Shah	-	1,000,000
	(-)	(-)

Figures in bracket reflects previous year's amount

c) **Outstanding Balances of Related Parties:**

(Amount in ₹)

Particulars	Holding Company	KMP
Payables	92,597,942 (137,194,245)	933,978 (44,380)

Figures in bracket reflects previous year's amount

## Note 27

Computation of Basic and Diluted Earnings per share:

Particulars	Current Year	Previous Year
Net Loss After Tax available to equity shareholders(in ₹)	(28,711,800)	(19,037,200)
Weighted Average Number of Equity Shares (in nos)	5,396,721	4,900,000
Basic and diluted earnings per share (Face Value - ₹. 10/-) (in ₹)	(5.32)	(3.89)

## Note 28

Value of Raw Material Consumed:

Particulars	Current Year		Previous Year	
	Amount	%	Amount	%
	₹		₹	
Hardware				
(i) Imported	-	-	-	-
(ii) Indigenous	13,152,545	100.00%	3,654,074	93.14%
Educational Aids				
(i) Imported	-	-	-	-
(ii) Indigenous	-	-	269,132	6.86%
Total	13,152,545	100.00%	3,923,206	100.00%

## Note 29

Expenditure and Earnings in Foreign Currency:

(Amount in ₹)

Particulars	Current Year	Previous Year
F.O.B value of Exports	Nil	Nil
C.I.F Value of Imports:		
Raw Materials	Nil	Nil
Expenditure:		
Traveling Expenses	194,482	425,075

## Note 30

Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached

**For Bhuta Shah & Co.**

*Chartered Accountants*  
Firm Reg. No. : 101474W

**CA Mitesh Kothari**

*Partner*  
Membership No. : 110822

Place : Mumbai  
Date : 30th May 2012

For and on behalf of the Board  
**FOR E-CLASS EDUCATION SYSTEM LTD.**

**Amrut P. Shah**      **Chirag K. Gala**  
*Chairman*      *Whole-time Director*

**Riddhi A. Shah**      **Komal M. Khakhar**  
*Whole-time Director*      *Company Secretary*



**E-class Education System Limited**

**(Formerly known as Sundaram Edusys Private Limited)**

**Registered Office:** 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058

DP ID/ Client ID \_\_\_\_\_

No. of Shares held \_\_\_\_\_

**ATTENDANCE SLIP**

I hereby record my presence at the 3<sup>rd</sup> Annual General Meeting of the Company to be held on Wednesday, 26<sup>th</sup> September 2012 at 11.00 a.m. at the Registered office of the Company at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058.

Name Of The Shareholder (In Block Letters)	
Signature Of The Shareholder	
Name Of The Proxy/ Authorised Representative (In Block Letters)	
Signature Of The Proxy/ Authorised Representative	

Notes:

You are requested to sign and hand over this slip at the entrance of the Meeting Venue

-----TEAR HERE-----

**E-class Education System Limited**

**(Formerly known as Sundaram Edusys Private Limited)**

**Registered Office:** 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058

**PROXY FORM**

I / W e ..... of.....being a member(s) of the above named Company, hereby appoint..... of.....or failing him/her .....of.....as my/our proxy to attend and vote for me/us on my/our behalf at the 3rd Annual General Meeting of the Company to be held on Wednesday, 26<sup>th</sup> September 2012 at 11.00 a.m. at Registered Office of the Company at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058, and any adjournment thereof.

1 Rupee Revenue Stamp

(Signature) \_\_\_\_\_

Singed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

DP iD./ Clint ID. \_\_\_\_\_ No. of Shares \_\_\_\_\_

(This form is to be used \* in favour/against the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.)

\* Strike out whichever is not desired.

**NOTE :**

1. The Proxy Form must be deposited at the Registered Office of the Company situated at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai – 400 058, not less than 48 hours before the time for holding of the aforesaid Meeting(s).
2. The Proxy need not be a member of the Company.
3. Revenue Stamp of Rupee one is to be affixed on this form.
4. The form should be signed across the stamp as per specimen signature registered with the Company.