

BOARD OF DIRECTORS

Mr. Amrut P. Shah
(Chairman)

Mrs. Riddhi C. Gala
(Whole-Time Director)

Mr. Chirag K. Gala
(Whole-Time Director) (w.e.f 10-06-2013)

Mr. Hardik A. Shah
(Whole-Time Director) (w.e.f. 01-12-2012)

Mr. Shantilal P. Shah
(Non-Executive Director)

Mr. Hasmukh A. Gada
(Non-Executive Director)

Mr. Paresh Kumar Jain
(Non-Executive Independent Director) (w.e.f. 27-05-2013)

Mr. Jagdish Kothari
(Non-Executive Independent Director) (w.e.f. 27-05-2013)

COMPANY SECRETARY

Ms. Komal M. Khakhar

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

REGISTRAR & SHARE TRANSFER AGENT

M/s Sharex Dynamic (India) Pvt. Ltd., Unit No.1
Luthra Ind. Premises, Andheri – Kurla Road
Safed Pool, Andheri (East), Mumbai- 400 072, INDIA

E-MAIL - info@e-class.in **WEBSITE** - www.e-class.in

INDEX

03	Notice
05	Directors' Report
11	Independent Auditors' Report
16	Balance Sheet
17	Statement of Profit and Loss
18	Cash Flow
19	Significant Accounting Policies
21	Notes Forming Part of Financial Statements



NOTICE

To,
The Members,
E-class Education System Limited

NOTICE is hereby given that the Fourth Annual General Meeting of E-class Education System Limited will be held on Thursday, **26th September 2013** 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 Statement of Profit and Loss for the year ended March 31st, 2013 and the Balance Sheet as at that date together with Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint Director in place of Mrs. Riddhi C. Gala, who retires by rotation and being eligible, offers herself for re-appointment.
- 3) To appoint Director in place of Mr. Hardik A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Director in place of Mr. Chirag K. Gala, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint 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 Meeting till 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 of Directors
For E-class Education System Ltd

Komal M. Khakhar
Company Secretary

Mumbai on this 3rd Day of August 2013

REGISTERED OFFICE:

903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (W), 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' REPORT

To
The Members,

Your Directors are pleased to present the Fourth Annual Report of the Company with Audited Financial Statements for the year ended 31st March 2013.

1. FINANCIAL HIGHLIGHTS & OPERATIONS:

The Financial Highlights of the Company are as follows:

(Amount in ₹)

Particulars	2012-13	20011-12
Total Income	75,191,574	49,323,956
Profit/(Loss) before Interest, Depreciation & Tax	9,938,944	(3,141,646)
Less: Interest & Financial Cost	23,451,498	21,849,296
Profit/(Loss) Before Depreciation & Tax	(13,512,554)	(24,990,942)
Less: Depreciation	20,171,887	17,674,710
Less: Deferred Tax	1,086,990	(13,953,850)
Less: Short/(Excess) provision for earlier years	45,715	-
Profit/(Loss) after Tax	(34,817,146)	(28,711,800)
Add: Balance Brought Forward From Earlier Years	(47,749,000)	(19,037,200)
Appropriations	-	-
Balance carried Forward To Balance sheet	(82,566,146)	(47,749,000)

2. REVIEW OF OPERATIONS:

- The Indian education market continues to provide large scale opportunities and your Company is leveraging these opportunities to create value for its customers and for all its stakeholders.

We started in 2009-10 as a Company providing 100 % syllabus based quality digital animation content for State Board K-10 Segment of Maharashtra State in English, Marathi and Semi-English Medium with the objective of broadening the horizons of what education can be. Today, that intent stands vindicated. Over the period the four year, your Company has successfully penetrated the market. With an overwhelming positive response from students, parents, coaching classes and school management, Company has developed highly sophisticated intellectual property in the form of digital content and became the premier provider of digital content technology for the students of Maharashtra State Board K-10 segment through its product “Eclass”.

There are many old players in the market in the business of e-learning , however the key differentiators of “Eclass” is its unique one to one mapping with the State Board text books as against competitors' focus on concept base learning module.

Due to increased emphasis on e-learning, strong marketing and distribution network and deep customer relationships the concept of textbook base content is adopted jubilantly by students and teachers across the State. As a result sales from this business have grown impressively to 7.51 crores in FY 2012-13 from 4.93 crore in FY 2011-12 and 2.60 crore in FY10-11.

With the increased response of its e-learning model (from 2500 users in FY10 to 7200 users in as at FY13), the management is confident of increasing its reach to 30,000 users by FY15E. We expect revenues from this stream to grow multi fold by FY15E. Moreover, with its low and fixed cost model, majority of the incremental revenues will flow to EBITDA.

- During the year under review the Company has received a prestigious contract from the Pune Municipal Corporation for setting up the “Eclass” (which includes LCD T.V., Ebox, and Pen Drives) and installment of “Eclass” content for the standard 1st to 7th in all the schools of Pune Municipal Corporation with the content renewal of the next two academic years.

- The Company has started a new e-learning portal to cater to the entire internet learning and teaching market. The new educational portal “eclassonline.in” has various features and covers the entire video content. It has features for social networking and lots of educational options like mcq, forum, projects and more for the students. A student sitting in any part of the world can just log in and start learning online. Now with this portal the Company not only provides the content offline but online also.

2. OPPORTUNITIES AND RISK CONCERNS:

Opportunities

- Indian education market is a \$40 billion market estimated to grow to \$86 billion by FY16E. This market has grown at ~20% CAGR over the past three years, led by both public and private expenditure on education. With favorable demographics, rising incomes and the Government's increased thrust on improving the reach/ quality of education; it is expected that the Indian education sector will continue seeing strong growth. Education in India is largely driven through Government initiatives, with the Government accounting for ~66% of the total spends and operating ~77% of the total schools and such schools having 70% of the total enrolled students. Private spends on education have been growing at a 20% CAGR over the past three years.

According to a report published by Religare Institutional Research, the multimedia based education in classrooms is a fundamental shift in the Indian education space that addresses the need for delivery of quality educational content. The Indian education market has acute shortage both in terms of 'quality of education' as well as 'access to education' is concerned. This market offers an almost limitless expansion opportunity.

Considering the present scenario, response of target audience from the Maharashtra State and in line with its strategy to expand its presence, the Company is planning to venture into different states like Gujarat, Andhra Pradesh, Bihar and Uttar Pradesh and cater the students of the respective State Boards.

The Government of India has undertaken several initiatives in recent years to promote primary and secondary education and digitalization of classrooms. Your Company pulls out all stops to capitalize on these emerging opportunities for its e-learning activities.

- In order to make the syllabus contemporary, Government of India upgrades the syllabus almost every year.

Tentative Syllabus Changes In FY 14 For Maharashtra State Board

Standard	Subjects
I	All Subjects
II	All Subjects
X	History and Political Science
	Geography & Economics

Changes in the syllabus require the constant updating of the educational content. This constant syllabus change cycle becomes the entry barrier for the competitors who have entered the market recently whereas, your Company with its strong setup, updated educational and IT team, is ready to cater the target customers on time. In this process Company does enjoy the benefit of the brand name “Sundaram” which is the leading brand in school stationary and excise books.

• Threat And Risk

The e-learning Education Business is one of the high growth and happening industry. The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. This may be a matter of concern if the Company does not adapt to the changing face of the industry. The Company has been keeping itself abreast of latest changes in the industry to implement the same in its operation to keep itself ahead of competition.

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. MATERIAL CHANGES AND COMMITMENTS:

There have been no such changes or commitments affecting the financial position from the end of the financial year 2012-2013 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.

6. DIRECTORS:

- Mrs. Ridhhi C. Gala, Mr. Hardik A. Shah and Mr. Chirag K. Gala, Directors of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

• Mr. Hardik A. Shah was appointed by the Board as an Additional Director of the Company under Section 260 of the Companies Act, 1956 w.e.f. 1st December 2012 and was appointed as Director of the Company in compliance with the provisions of the section 257 of the Companies Act, 1956 by the members in their meeting held on 21st January 2013.

Mr. Hardik A. Shah was appointed as by the Board in its meeting held on 26th December 2012 as Whole-Time Director of the Company for a period of three years w.e.f. 1st January 2013 in compliance with the provisions of Section 198, 269 read with Schedule XIII of the Companies Act, 1956. Members confirmed the appointment in their meeting held on 21st January 2013.

• Mr. Paresh Kumar Jain & Mr. Jagdish Kothari, Non-Executive Independent Directors of Sundaram Multi Pap Limited, Holding Company were appointed by the Board as an Additional Directors (Non-Executive, Independent) of the Company under Section 260 of the Companies Act, 1956 w.e.f. 27th May 2013 and were appointed as Directors (Non-Executive, Independent) of the Company in compliance with the provisions of the section 257 of the Companies Act, 1956 w.e.f. 17th June 2013.

• Mr. Chirag K. Gala, Whole-Time Director of the Company resigned as Director and Whole-Time Director of the Company w.e.f. 27th May 2013. He rejoined the Board as an Additional Director of the Company under Section 260 of the Companies Act, 1956 w.e.f. 10th June 2013. The Board in its meeting held on 14th June 2013 appointed him as Whole-Time Director of the Company for a period of three years w.e.f. 16th June 2013 in compliance with the provisions of Section 198, 269 read with Schedule XIII of the Companies Act, 1956. Members confirmed appointment in their meeting held on 17th June 2013.

• 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.

7. AUDIT COMMITTEE:

The Audit Committee presently comprises of three Directors namely Mr. Paresh Kumar Jain, Mr. Hasmukh A. Gada and Mr. Shantilal P. Shah.

The Chairman of the Audit Committee is an Independent Director namely Mr. Paresh Kumar Jain.

During the year under review, two Audit Committee Meetings were held on 30-5-2012 and 10-11-2012. All the three Directors were present in the meetings.

The constitution of the Audit Committee was changed during the year as Mr. Chirag K. Gala ceased to be Chairman and member of the Audit Committee upon his resignation as Director of the Company w.e.f. from 27-05-2013. Mr. Paresh Kumar Jain was appointed as member and Chairman of the Audit Committee w.e.f. 27-05-2013.

The Chairman of the Audit Committee Mr. Chirag K. Gala, was present at the last Annual General Meeting held on 26-09-2012.

8. AUDITORS' REPORT:

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

9. 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.

10. INSURANCE:

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

11. 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.

12. HOLDING COMPANY:

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

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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 ₹)

	2012-2013	2011-2012
Foreign Exchange Earnings:	Nil	Nil
Foreign Exchange Outgo:	599,161/-	1,94,482/-

14. PARTICULARS OF EMPLOYEES:

There were no employees of the Company during the financial year 2012-2013, as are required to be mentioned under Section 217 [2A]. Therefore the statement for the same is not attached.

15. 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.

16. ACKNOWLEDGEMENTS:

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 3rd Day of August 2013

REGISTERED OFFICE:

903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai- 400 58, INDIA

Independent Auditors' Report

To the Members of
E-CLASS EDUCATION SYSTEM LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of E-CLASS EDUCATION SYSTEM LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility on Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 law have been kept by the Company so far as appears from our examination of those 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 section 211(3C) of the Act;

e) On the basis of written representations received from the Directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of section 274(1)(g) of the Act.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Bhuta Shah & Co.

Chartered Accountants

Firm Reg. No.: 101474W

CA. Mitesh Kothari

Partner

Membership No.: 110822

Mumbai, 30th May, 2013

Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading of “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 to show full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, these fixed assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed during the year and therefore does not affect the going concern principle.

(ii) In respect of its inventories:

(a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations 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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. The discrepancies noticed on physical verification of stocks by the management and book records have been properly dealt with in the books of account.

(iii) In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Act:

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act. Consequently, the provisions of Clause 4 (iii) (a), (b), (c) and (d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loan from its holding company. The maximum amount involved during the year is ₹ 166,496,389/-. And the year-end balance of loan granted to such party is ₹ 123,582,836/-.

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loans have been given to the Company are not, prima facie, prejudicial to the interest of the Company

(g) 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 explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

(v) In respect of the contracts or arrangements referred to in section 301 of the Act:

(a) In our opinion and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and as per information and explanations given to us, the transaction entered into by the Company with parties covered u/s 301 of the Act and exceeding the value of ₹ five lakhs in respect of each party during the year has been made at prices which appear reasonable as per information available with the company.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause 4 (vi) of the Order are not applicable to the Company.

(vii) As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the 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) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have been regularly deposited with the appropriate authorities, *though there have been delays in a few cases*. According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2013 for a period of more than six months from the date they became payable *except Value Added Tax amounting to ₹ 1,818,315/-*.

(b) According to the information and explanations given to us, there were no disputes pending in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and other statutory dues applicable to the Company as on 31.03.2013.

(x) Since the company is registered for a period less than 5 years, provisions of Clause 4 (x) of the Order are not applicable to the Company.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution.

(xvi) According to the information and explanation given to us and the records examined, the term loans taken by the Company have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31 March 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.

(xix) The Company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable to the company.

(xx) The Company has not raised any monies by way of public issues during the year.

(xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Bhuta Shah & Co.

Chartered Accountants

Firm Reg. No.: 101474W

CA. Mitesh Kothari

Partner

Membership No.: 110822

Mumbai, 30th May, 2013

E-class Education System Limited

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
		₹	₹
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
Share Capital	1	150,000,000	150,000,000
Reserves And Surplus	2	(82,566,146)	(47,749,000)
		67,433,854	102,251,000
Non-Current Liabilities			
Long-Term Borrowings	3	18,827,826	-
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long Term Provisions		-	-
		18,827,826	-
Current Liabilities			
Short-Term Borrowings	4	143,582,835	92,597,942
Trade Payables	5	5,931,311	4,764,981
Other Current Liabilities	6	17,015,873	5,463,077
Short-Term Provisions		-	-
		166,530,019	102,826,000
Total Equity & Liabilities		252,791,699	205,077,000
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7A	9,416,966	10,507,244
Intangible Assets	7B	77,799,478	92,553,743
Capital Work-In-Progress		-	-
		87,216,444	103,060,987
Non-Current Investments		-	-
Deferred Tax Assets	8	22,002,694	23,089,684
Long Term Loans And Advances	9	54,345,482	3,306,185
Other Non-Current Assets		-	-
		163,564,620	129,456,856
Current Assets			
Current Investments		-	-
Inventories	10	35,190,333	37,928,311
Trade Receivables	11	40,959,546	32,534,260
Cash And Cash Equivalents	12	9,328,924	2,356,616
Short-Term Loans And Advances	13	3,748,275	2,800,956
Other Current Assets		-	-
		89,227,078	75,620,143
Total Assets		252,791,699	205,077,000

Significant Accounting Policies

Notes on Financial Statements

1 to 31

As per our report of even date

For Bhuta Shah & Co.

Chartered Accountants

Firm Reg. No.: 101474W

FOR E-CLASS EDUCATION SYSTEM LIMITED

CA Mitesh Kothari

Partner

Membership No. : 110822

Amrut P. Shah

Chairman

Hardik A. Shah

Whole-time Director

Riddhi C. Gala

Whole-time Director

Komal M Khakhar

Company Secretary

Mumbai, 30th May, 2013

E-class Education System Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	Notes	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<u>INCOME</u>		₹	₹
Revenue From Operations	14	75,191,574	49,323,956
Other Income		-	-
Total Income (I)		75,191,574	49,323,956
<u>EXPENSES</u>			
Cost Of Materials Consumed	15	22,496,471	13,152,545
Purchase Of Stock-In-Trade		-	-
Changes In Inventories Of Finished Goods And Work-In-Progress		-	-
Employee Benefit Expense	16	16,403,967	12,135,842
Finance Cost	17	23,451,498	21,849,296
Depreciation And Amortization Expense	18	20,171,887	17,674,710
Other Expenses	19	26,352,192	27,177,215
Total Expenses (II)		108,876,015	91,989,608
Profit Before Tax (I) - (II)		(33,684,441)	(42,665,652)
<u>TAX EXPENSES:</u>			
(1) Current Tax		-	-
(2) Deferred Tax		1,086,990	(13,953,850)
(3) Short / (Excess) Provision Of Earlier Years		45,715	-
Total Tax Expense		1,132,705	(13,953,850)
Profit / (Loss) For The Year		(34,817,146)	(28,711,802)
Earning Per Equity Share (Face Value of ₹ 10/- each)			
(1) Basic		(2.32)	(1.91)
(2) Diluted		(2.32)	(1.91)

Significant Accounting Policies

Notes on Financial Statements

As per our report of even date

1 to 31

For Bhuta Shah & Co.

Chartered Accountants

Firm Reg. No.: 101474W

FOR E-CLASS EDUCATION SYSTEM LIMITED

CA Mitesh Kothari

Partner

Membership No. : 110822

Amrut P. Shah

Chairman

Hardik A. Shah

Whole-time Director

Riddhi C. Gala

Whole-time Director

Komal M Khakhar

Company Secretary

Mumbai, 30th May, 2013

E-class Education System Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars		April 1, 2012 - March 31, 2013	April 1, 2011 - March 31, 2012
		Amount in ₹	Amount in ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before Tax and Extraordinary items	(33,684,441)	(42,665,652)
	<i>Adjustment For :</i>		
	Depreciation	20,171,887	17,674,710
	Interest Income	-	-
	Dividend Income	-	-
	Preliminary Expenses W/Off	-	-
	Interest Paid	23,451,498	21,849,296
	(Profit)/Loss On Sale Of Assets (Net)	-	699
		43,623,385	39,524,705
	Operating Profit Before Working Capital Changes	9,938,944	(3,140,946)
	<i>Adjustment For :</i>		
	Trade Receivables	(8,425,286)	(16,531,989)
	Inventories	2,737,978	(9,259,755)
	Loans & Advances	(51,986,616)	3,588,526
	Other Current Assets	-	-
	Trade Payables	1,166,330	(1,287,964)
	Other Liabilities & Provisions	11,507,081	3,484,122
		(45,000,513)	(20,007,060)
	Cash Generated From Operations	(35,061,569)	(23,148,006)
	Direct Taxes Paid(Net)	-	-
	Net Cash Flow From Operating Activities	(35,061,569)	(23,148,006)
B.	Cash Flow From Investing Activities		
	Purchase Of Tangible Fixed Assets (Net)	(4,327,344)	(12,582,380)
	Sale Of Tangible Fixed Assets	-	40,000
	Purchase Of Equity Shares Of Subsidiary	-	-
	Dividend Received	-	-
	Net Cash Flow From Investing Activities	(4,327,344)	(12,542,380)
C.	Cash Flow From Financing Activities:		
	Additional/ (Repayment) Of Loan To Holding Company	30,984,893	(44,596,304)
	Proceeds From Borrowings	38,827,826	-
	Proceeds From Issue Of Share Capital	-	101,000,000
	Interest Received	-	-
	Interest Paid	(23,451,498)	(21,849,296)
	Dividend Paid (Incl. Of Tax)	-	-
	Net Cash Flow From Financing Activities	46,361,221	34,554,400
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	6,972,308	(1,135,986)
	Cash And Cash Equivalent At Beninning Of The Year	2,356,616	3,492,601
	Cash And Cash Equivalent At End Of The Year	9,328,923	2,356,615
	Net Increase/(Decrease)	6,972,308	(1,135,986)

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 Bhuta Shah & Co.
Chartered Accountants
Firm Regn. No. 101474W

FOR E-CLASS EDUCATION SYSTEM LIMITED

CA Mitesh Kothari
Partner
Membership No. 110822

Amrut A. Shah
Chairman

Hardik A. Shah
Whole-time Director

Mumbai, 30th May, 2013

Riddhi C. Gala
Whole-time Director

Komal M Khakhar
Company Secretary

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:

a) 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.

b) Interest income is recognized on the time proportion basis.

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.

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.

E-class Education System Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 1 : SHARE CAPITAL

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Authorized Capital</u> 25,000,000 (P.Y. 25,000,000) Equity Shares Of ₹ 10/- Each	250,000,000	250,000,000
	250,000,000	250,000,000
<u>Issued, Subscribed & Paid - Up Capital</u> 15,000,000 (P.Y. 15,000,000) Equity Shares Of ₹ 10/- Each	150,000,000	150,000,000
Total Of Issued, Subscribed And Fully Paid Up Share Capital	150,000,000	150,000,000

a) The Reconciliation Of The Number Of Shares Is Set Out Below:

Particulars	31-Mar-13		31-Mar-12	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares Outstanding At The Beginning Of The Year	15,000,000	150,000,000	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	15,000,000	150,000,000

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.

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 Wholly Owned Subsidiary Company Of Sundaram Multi Pap Limited.**d) The Details Of Share Holders Holding More Than 5% Shares.**

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sundaram Multi Pap Limited	15,000,000	100	15,000,000	100

NOTE 2 : RESERVES & SURPLUS

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
General Reserve	-	-
Surplus/ (Deficit) In Statement Of Profit And Loss		
Opening Balance	(47,749,000)	(19,037,200)
Add: Net Profit/ (Loss) For The Year	(34,817,146)	(28,711,800)
Balance Available For Appropriation	(82,566,146)	(47,749,000)
<u>Less: Appropriations</u>		
- Proposed Dividend	-	-
- Dividend Distribution Tax	-	-
- Transfer To General Reserve	-	-
Closing Balance	(82,566,146)	(47,749,000)
Total Of Reserves & Surplus	(82,566,146)	(47,749,000)

NOTE 3 : LONG TERM BORROWINGS

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Term Loan</u>		
<u>Unsecured</u>		
From Other Financial Institutions**	18,827,826	-
(Refer Note 5 For Current Maturities Of Long Term Debt)		
Total Of Long Term Borrowings	18,827,826	-

** Carrying Interest Of 18% And To Be Repaid Till March-2016

NOTE 4 :SHORT TERM BORROWINGS

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Loan Repayable On Demand</u>		
<u>From Other Parties</u>		
Unsecured		
From Other Financial Institutions##	20,000,000	-
<u>Loan And Advances From Related Parties</u>		
Unsecured		
Loans & Advances From Holding Company,Sundaram Multi Pap Ltd	123,582,835	92,597,942
Total Of Short Term Borrowings	143,582,835	92,597,942

The Loan Is Taken @ 17% Interest Rate Against Pledge Of Promoter's Shares.

NOTE 5 : TRADE PAYABLES

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Trade Payable</u>	5,931,311	4,764,981
(Refer Note 25 For Details Of Dues To Micro, Small And Medium Enterprises)	-	-
Total Of Trade Payable	5,931,311	4,764,981

NOTE 6 : OTHER CURRENT LIABILITIES

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Current Maturities Of Long-Term Debt</u>		
Other Financial Institutions	7,172,174	-
Advance From Customers	2,162,974	1,911,530
<u>Other Payables</u>		
Outstanding Expenses	2,043,609	1,441,873
Outstanding Statutory Liabilities	5,077,116	1,589,674
Trade Deposits	560,000	520,000
Total Of Other Current Liabilities	17,015,873	5,463,077

NOTE 8 :DEFERRED TAX ASSETS(NET)

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Assets</u>	28,547,766	29,178,785
Less: Liability Related To Fixed Assets	6,545,072	6,089,101
Total	22,002,694	23,089,684
Less: Opening Net Deferred Tax Asset	23,089,684	9,135,835
Total Of Deferred Tax (Liability) / Asset Charged To Statement Of Profit And Loss	(1,086,990)	13,953,849

NOTE 9 : LONG TERM LOANS AND ADVANCES

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Security Deposit</u>		
Secured, Considered Good	5,707,785	3,306,185
Other Loans & Advances	48,637,697	-
Total Of Long Term Loans And Advances	54,345,482	3,306,185

NOTE 10 : INVENTORIES

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
Raw Material	35,190,333	37,928,311
Total Inventories	35,190,333	37,928,311

NOTE 11 : TRADE RECEIVABLES

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Debts Overdue By Six Months</u>		
Unsecured, Considered Good	-	-
<u>Others</u>		
Unsecured, Considered Good	40,959,546	32,534,260
Total Of Trade Receivables	40,959,546	32,534,260

E-CLASS EDUCATION SYSTEM LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE : 7 - FIXED ASSETS AS ON 31st MARCH 2013

Particulars	Gross Block			Depreciation			Net Block	
	As on 1st April, 2012	Additions During the Year	Deductions During the Year	As on 31st March, 2013	As on 1st April, 2012	For the Year	Deductions During the Year	As on 31st March, 2013
(A) Tangible Assets								
Furniture & Fixtures	7,829,470	43,907	-	7,873,377	576,421	496,616	-	6,800,340
Office Equipments	3,949,096	3,078	-	3,952,174	694,899	640,647	-	2,616,628
Total Tangible Assets	11,778,566	46,985	-	11,825,551	1,271,320	1,137,264	-	9,416,966
(B) Intangible Assets								
Knowledge Based Content	110,171,799	4,280,359	-	114,452,158	18,702,561	18,847,555	-	76,902,042
Website	1,122,192	-	-	1,122,192	37,688	187,069	-	897,435
Total Intangible Assets	111,293,991	4,280,359	-	115,574,350	18,740,249	19,034,624	-	77,799,478
TOTAL (A+B)	123,072,557	4,327,344	-	127,399,901	20,011,569	20,171,888	-	87,216,444
Previous Year	89,329,955	33,791,102	48,500	123,072,557	2,344,660	17,674,709	7,801	103,060,988

(Amount in ₹)

NOTE 12 : CASH & CASH EQUIVALENT

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Cash-In-Hand</u>		
Cash Balance	4,132,263	1,847,489
Sub Total (A)	4,132,263	1,847,489
<u>Bank Balance</u>		
In Current Accounts	95,729	509,127
In Deposit Accounts*	5,100,932	-
Sub Total (B)	5,196,661	509,127
		-
Total Of Cash & Cash Equivalent (A) + (B)	9,328,924	2,356,616

* Fixed Deposit Includes Deposit With Banks Of ₹ 5,100,932/- (Previous Year: Nil) With Maturity Of More Than 12 Months

NOTE 13 : SHORT TERM LOANS AND ADVANCES

	₹	₹
	As at 31 st March, 2013	As at 31 st March, 2012
<u>Others</u>		
Advance To Suppliers	1,238,993	1,131,030
Balance With Revenue Authorities	2,468,737	1,658,448
Prepaid Expenses	28,545	478
Advance To Employees	12,000	11,000
Total Of Short Term Loans And Advances	3,748,275	2,800,956

NOTE 14 : REVENUE FROM OPERATIONS

	₹	₹
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<u>Local</u>		
Sale Of Goods And Services	75,191,574	49,323,956
Total Of Revenue From Operations	75,191,574	49,323,956

NOTE 15 : COST OF MATERIAL CONSUMED

	₹	₹
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<u>Raw Material Consumed</u>		
Opening Stock	37,928,311	28,668,556
Add: Purchases	19,758,493	22,412,300
	57,686,804	51,080,856
Less: Closing Stock	35,190,333	37,928,311
Total Of Cost Of Materials Consumed	22,496,471	13,152,545

NOTE 16 : EMPLOYMENT BENEFIT EXPENSES

	₹	₹
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Salaries & Wages	12,619,197	8,753,958
Contribution To Provident Fund, Gratuity Fund & Other Funds	230,055	157,820
Directors' Remuneration	3,300,000	3,000,000
Staff Welfare	254,715	224,064
Total Of Employee Benefits Expenses	16,403,967	12,135,842

NOTE 17 : FINANCE COST

	₹	₹
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Interest Expense	23,901,444	23,320,397
Less: Interest Capitalised	-	1,522,349
(a) Other Borrowing Costs	23,901,444	21,798,048
Bank And Finance Charges (b)	198,034	24,352
Interest On Delay Payment Of Statutory Dues (c)	37,864	26,896
Less :-Interest Received (d)	685,844	
Total Of Financial Cost (a) + (b) + (c) - (d)	23,451,498	21,849,296

NOTE 18 : DEPRECIATION & AMORTIZATION EXPENSE

	₹	₹
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Depreciation	1,137,263	1,097,998
Amortisation Of Intangibles	19,034,624	16,576,712
Total Of Depreciation & Amortisation Expense	20,171,887	17,674,710

NOTE 19 : OTHER EXPENSES

	₹	₹
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Note 19 A: Manufacturing Expenses		
Job Work Expenses	4,992,572	3,995,308
Sub Total Note 19 A	4,992,572	3,995,308
Note 19 B: Selling & Distribution Expenses		
Sales Promotion & Advertisement Expenses	5,620,207	13,072,604
Freight, Clearing & Forwarding Charges	763,884	60,536
Commission Charges	431,148	105,662
Sub Total Note 19 B	6,815,239	13,238,802
Note 19 C: Administrative Charges		
Repair & Maintenance to Building	179,994	484,339
Rent Expenses	3,303,384	3,127,010
Insurance Expenses	53,737	30,270
Motor Car Expenses	406,233	45,489
Travelling Expenses	978,501	627,506
Computer Maintenance	204,466	312,312
Conveyance Expenses	88,188	54,093
Postage & Courier	116,892	161,914
Legal, Professional & Consultancy Charges	7,254,559	2,584,700
Printing & Stationery	350,752	61,434
Auditors Remuneration (Refer Note 24)	112,360	133,802
Donation	200,000	7,000
Electricity Expenses	260,580	216,320
Listing & Registration Fees	32,614	251,159
Loss on Sale of Assets (Net)	-	699
Stamp Duty	286,000	1,151,000
Sundry Balance written off	186,357	355,839
Telephone Expenses	452,931	305,478
Sundry Expenses	76,833	32,741
Sub Total Note 19 C	14,544,381	9,943,105
Total of Other Expenses (Note 19 A+ 19 B+ 19 C)	26,352,192	27,177,215

Note 20

Contingent Liability: Nil (P.Y. Nil)

Note 21

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 22

Balances of certain Sundry Debtors, Sundry Creditors, Loans & 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 23

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

Note 24

Auditors Remuneration: **(Amount in ₹)**

Particular	Current Year	Previous Year
Audit fees	75,000/-	50,000/-
Tax Audit Fees	25,000/-	20,000/-
Others	12,360/-	63,802/-
Total	112,360/-	133,802/-

Note 25**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 26**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 27**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 C. Gala	Whole-Time Director
	Mr. Shantilal P. Shah	Director
	Mr. Hasrnuhu A. Gada	Director
	Mr. Hardik A. Shah	Whole-Time Director

b) Transactions during the year ended 31st March 2013 with Related Parties : (Amount in ₹)

Particulars	Holding Company	KMP
Issue of Equity Shares to Sundaram Multi Pap Limited	- (101,000,000)/-	- (-)
Loan Received from Sundaram Multi Pap Limited	111,226,939/- (56,231,571)/-	- (-)
Loan Repayment to Sundaram Multi Pap Limited	101,218,681/- (23,148,272)/-	- (-)
Interest paid to Sundaram Multi Pap Limited	23,307,373/- (23,320,397)/-	- (-)
Remuneration	- (-)	4,100,000/- (4,000,000)/-
Details are as under:		
Mr. Chirag K. Gala	- (-)	1,500,000/- (1,500,000)/-
Ms. Riddhi A Shah	- (-)	1,500,000/- (1,500,000)/-
Mr. Hardik A. Shah	- (-)	1,100,000/- (1,000,000)/-

Figures in bracket reflects previous year's amount

c) Outstanding Balances of Related Parties: (Amount in ₹)

Particulars	Holding Company	KMP
Payables	123,582,835/- (92,597,942)/-	2,382,394/- (933,978)/-

Figures in bracket reflects previous year's amount

Note 28**Computation of Basic and Diluted Earnings per share:**

Particular	Current Year	Previous Year
Net Loss After Tax available to Equity Share holders (in ₹)	(34,817,146)/-	(28,711,802)/-
Weighted Average Number of Equity Shares (in nos)	150,000,000/-	150,000,000/-
Basic and diluted earning per share (Face Value-₹ 10/-) (in ₹)	(2.32)	(1.91)

Note 29**Value of Raw Material Consumed:**

Particular	Current Year		Previous Year	
	Amount ₹	%	Amount ₹	%
Hardware	-	-	-	-
(i) Imported				
(ii) Indigenous	22,496,471/-	100.00%	13,152,545/-	100.00%
Total	22,496,471/-	100.00%	13,152,545/-	100.00%

Note 30**Expenditure and Earnings in Foreign Currency:**

Particular	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	599,161	194,482

Note 31

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

For Bhuta Shah & Co.
Chartered Accountants
Firm Regn. No. 101474W

For and on behalf of the Board

CA Mitesh Kothari
Partner
Membership No: 110822

Amrut P. Shah
(Chairman)

Riddhi C. Gala
(Whole Time Director)

Mumbai, 30th May, 2013

Hasmukh A. Gada
(Whole Time Director)

Komal M. Khakhar
(Company Secretary)

E-class Education System 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 4th Annual General Meeting of the Company to be held on Thursday, 26th September 2013 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

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

PROXY FORM

I/We.....being a member(s) of the above named Company, hereby appoint.....of.....or failing him/herof.....as my/our proxy to attend and vote for me/us on my/our behalf at the 4th Annual General Meeting of the Company to be held on Thursday, 26th September 2013 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 _____ 2013

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.