

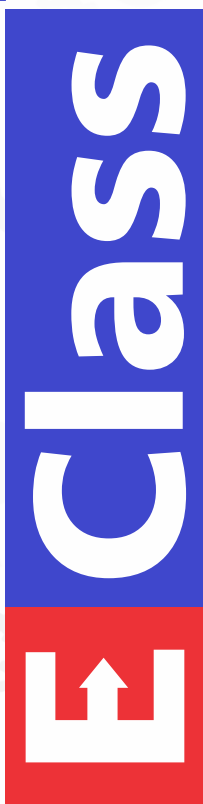
# E-Class Education System Limited

Learn today for a better tomorrow

## 7<sup>th</sup> Annual Report **2015 - 2016**



TM



Digital Education

## BOARD OF DIRECTORS & KMP:

Mr. Amrut P. Shah (DIN: 00033120)  
(Chairman & Non- Executive Director)

Mr. Hardik A. Shah (DIN: 06380442)  
(Whole-time Director)

Mrs. Riddhi C. Gala (DIN: 03007446)  
(Whole-time Director)

Mr. Shantilal P. Shah (DIN: 00033182)  
(Non- Executive Director)

Mr. Manikandam P. Kammenchery (DIN: 03323385)  
(Non-Executive Independent Director)

Mr. Raichand P. Shah (DIN: 06949019)  
(Non-Executive Director)

Mr. Kaushal R. Sheth (DIN: 06949468)  
(Non-Executive Independent Director)

Mr. Dipesh S. Dedhia  
(Chief Financial Officer)

Mrs. Komal M. Khakhar  
(Company Secretary) (Up to 30-06-2015)

Mr. Latesh S. Shah  
(Company Secretary) (w.e.f. 01-02-2016)

### AUDITORS:

M/s Bhuta Shah & Co. LLP  
Chartered Accountants,  
Mumbai.

### BANKER:

State Bank of India

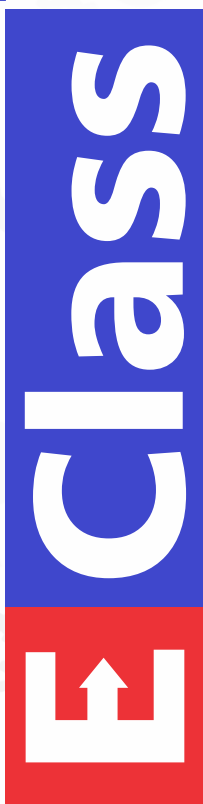
### REGISTERED OFFICE:

5/6, Papa Industrial Estate, Suren Road, Andheri East, Mumbai:  
400093, Maharashtra, India.

### REGISTRAR & SHARE TRANSFER AGENT:

M/s. Sharex Dynamic (India) Private Limited, Unit no. 1, Luthra Ind.  
Premises, Andheri-krula Road, Safed pool, Andheri East, Mumbai:  
400 072. Maharashtra, India.

TM



Digital Education

## INDEX

1	Notice.....	3
	2) Director's Report.....	5
	3) Independent Auditor's Report....	20

4	Balance Sheet.....	24
	5) Statement of Profit & Loss.....	25
	6) Cash Flow.....	26

7	Significant Accounting policies .....	27
	8) Notes Forming Part of Financial Statement.....	27
	9) Proxy Form.....	39
	10) Attendance Slip .....	40

## NOTICE

Notice is hereby given that the 7<sup>th</sup> Annual General Meeting of the Members of E-class Education System Limited will be held on Friday, 30<sup>th</sup> September 2016 at 4.00 p.m. at the Registered Office of the Company at 5/6 Papa Industrial Estate, Suren Road, Andheri (East), Mumbai- 400093 to transact the following businesses:

### **Ordinary Business:**

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, the reports of the Board of Directors and Auditors thereon.
2. To re-appoint a Director in place of Mr. Raichand P. Shah (DIN: 06949019) who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint a Director in place of Mr. Hardik A. Shah (DIN: 06380442) who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to section 139,142 and other applicable provisions of Companies Act, 2013 and Rules made thereunder, pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30<sup>th</sup> September, 2014, the appointment of M/s Bhuta Shah & Co., Chartered Accountants, Mumbai, (ICAI Firm Registration No. 101474W), as the Statutory Auditors of the Company to hold the office till the conclusion of the AGM to be held in the calendar year 2017 be and hereby ratified and the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2017, as may be recommended by the Audit Committee in consultation with the Auditors”

By Order of the Board of Directors

**E-class Education System Limited**

Sd/-

**Latesh S. Shah**

Company Secretary

Address: 61/5, Bhavana Building Juhu Scheme,  
N.S.Road-1, Vile Parle (West), Mumbai: 400056,  
Maharashtra, India.

Date: 8<sup>th</sup> August, 2016

Place: Mumbai

Registered Office: 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai- 400 093, Maharashtra, India. Email: [info@eclass.in](mailto:info@eclass.in), (CIN: U80212MH2009PLC194231)

### **Notes:**

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies submitted on behalf of Limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2) The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting.

3) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

- 4) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, that not less than three days of notice in writing is given to the company.
- 5) Members/proxies authorised representatives should bring the duly filled attendance slip, enclosed here with to attend the meeting.
- 6) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 7) The Register of Contracts or Arrangements, in which Directors are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 8) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Company or Registrar and Transfer Agents (RTA).
- 9) Members are requested to address all correspondence to the Registrar and Share Transfer Agents, Sharex Dynamics (India) Private limited, Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai: 400072.
- 10) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s).
- 11) All the Documents referred to in the notice will be available for inspection at the registered office of the Company during the normal business hours on working days up to the date of AGM.
- 12) In case of joint holder attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
- 13) Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, during business hours up to the date of the meeting.
- 14) Additional information in respect of the directors seeking appointment / re-appointment at the AGM is furnished as annexure to this notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

#### **Additional information for the Directors seeking Appointment or Re-appointment**

##### **MR. RAICHAND P. SHAH (DIN: 06949019)**

##### **• Brief Resume including nature of Expertise in Specific Area:**

Mr. Raichand P. Shah has the vast experience in the field of production and manufacturing of Paper and paper products which is main business of Holding Company. Though he is S.S.C. qualified, at the age of 54 years he has good market reputation and also has better technological updates. He joined board since 14th August, 2014.

##### **• Relationship with other Directors:**

Mr. Amrut P. Shah and Mr. Shantilal P. Shah are Brothers of Mr. Raichand P. Shah.

##### **• Directorships in other Companies including Listed Companies During the year 2015-16: NIL**

##### **MR. HARDIK A. SHAH (DIN: 06380442)**

##### **• Brief Resume including nature of Expertise in Specific Area:**

Mr. Hardik A. Shah is business development head of the Company. He joined the Board since 1st December, 2012. He is a Bachelor of Management Studies from NMIMS, Mumbai. At the tender age 27 years his professional knowledge and business development skills will be very helpful for the Company to develop its business and hence generate revenue for the Company. His technological advancement skill is also very helpful to the company as company is in the business of providing Digital education.

##### **• Relationship with other Directors:**

Mr. Amrut P. Shah is father of Mr. Hardik A. Shah and Mrs. Riddhi C. Gala is Sister of Mr. Hardik A. Shah.

##### **• Directorships in other Companies including Listed Companies During the year 2015-16:**

Name of the Company	Nature of Interest	Committee name & Position
HRP Technologies Pvt. Ltd.	Director	Nil

(Note: No. of Board meetings attended and other directorships and Committee positions held by each Directors is also given in Directors Report forming part of Annual Report. Further Our Company being Wholly Owned Subsidiary of Sundaram Multi Pap Limited, 100% shares are held in their name.)

**BOARD OF DIRECTORS REPORT**

To,  
The Members,  
E-class Education System Limited  
Your Directors are pleased to present the Seventh Annual Report of the Company with Audited Balance sheet and Statement of Accounts for the Year ended 31st March 2016

**FINANCIAL PERFORMANCE:**

The financial performance of Company for the year ended 31<sup>st</sup> March, 2016 is summarized below:

(Amount in ₹)

Particulars	2015-16	2014-15
Total Income	2,50,70,580	1,62,89,462
Profit before Interest, Depreciation & Amortization	64,85,728	( 4,50,283)
Less : Interest	2,24,26,389	3,89,31,766
Less : Depreciation & Amortization	71,13,640	1,98,35,861
Profit/loss before extraordinary item & tax	(2,30,54,301)	(5,92,17,910)
Less: Extra-ordinary item	--	--
<b>Profit / (Loss) before tax</b>	<b>(2,30,54,301)</b>	<b>(5,92,17,910)</b>
Less: Deferred tax	--	--
Short / (Excess) Provision Of Earlier Years	--	--
<b>Profit / (Loss) after tax</b>	<b>(2,30,54,301)</b>	<b>(5,92,17,910)</b>
Proposed Dividend	--	--
Dividend tax	--	--
Transfer to general reserve	--	--
Balance to be carried forward	--	--

**SUMMARY OF OPERATIONS:**

The revenue from the operations increased to ₹ 2,50,70,580 for the year ended 31<sup>st</sup> March, 2016 as compared to ₹ 1,62,89,462 for the year ended 31<sup>st</sup> March, 2015. The Company has incurred a loss of ₹ 2,30,54,301 for the year ended 31<sup>st</sup> March, 2016 as compared to the loss of ₹ 5,92,17,910 for the year ended 31<sup>st</sup> March, 2015.

**TRANSFER TO ANY RESERVE:**

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

**DIVIDEND:**

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

**MATERIAL CHANGES AND COMMITMENTS:**

There have been no such material changes or commitments affecting the financial position from the end of the financial year 2015-2016 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.

**CAPITAL/ FINANCE:**

During the year, the Company has issued and allotted 1,00,00,000 (One Crore) Equity Shares of the Face value of ₹ 10/- (Rupees Ten) each amounting to ₹ 10,00,00,000 (Rupees Ten Crores) on Rights Basis to its Existing Shareholders. As on 31-03-2016, the Issued, Subscribed and Paid-up Share Capital of your Company stood at ₹ 250,000,000/- (Rupees Twenty Five Crores Only) comprising 2,50,00,000 (Two Crores Fifty Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten) each.

**EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return pursuant to section 134 (3) (a) of the Companies Act, 2013 in MGT- 9 is attached as **Annexure – 1** and forms part of this report.

**MEETINGS OF BOARD OF DIRECTORS:**

During the financial year 2015-16, 7 (seven) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results

and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are 24-04-2015, 30-06-2015, 12-08-2015, 05-11-2015, 30-01-2016, 12-02-2016 and 24-02-2016.

#### COMPOSITION OF BOARD OF DIRECTORS:

Your Company has the optimum combination of experience and expertise of the members on the Board of Directors. The Company has 7 Directors at present of which 2 Directors are Executive Director and 3 Directors are Non-Executive Directors and 2 Directors are Independent Directors. This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. The Composition of Board is in conformity with Provisions of Companies Act, 2013. As on 31<sup>st</sup> March, 2016 Board consists of:

Sr. No.	Name of Director(s)	Category	No. of Board Meeting attended	No. of Directorships held in other Companies	Attendance at the AGM held on September 30, 2015	No. of Committee positions held in other Companies	
						Chairman	Member
1.	Hardik A. Shah	WTD	7	1	Yes	NIL	NIL
2.	Riddhi C. Gala	WTD	7	Nil	Yes	NIL	NIL
3.	Mr. Amrut P. Shah	NED	7	3	Yes	NIL	NIL
4.	Mr. Shantilal P. Shah	NED	7	3	Yes	NIL	NIL
5.	Mr. Manikandam P. Kammenchery	NED (I)	7	2	Yes	NIL	3
6.	Mr. Raichand P. Shah	NED	7	Nil	Yes	NIL	NIL
7.*	Mr. Kaushal R. Sheth	NED (I)	7	1	Yes	3	NIL

*(WTD: Whole-time Director, NED: Non-executive Director, I: Independent Director)*

Mr. Jagdish J. Kothari, Independent Director resigned from the office of Director w.e.f. 01-04-2015.

\* Mr. Kaushal R. Sheth was appointed as Additional Independent Director on w.e.f. 01-04-2015 and he was regularized as the Independent Director of Company at the AGM held on 30-09-2015.

*(NOTE: Above mentioned Directorships and Committee positions is either as on the date of resignation or at present.)*

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

#### COMMITTEES OF BOARD:

As per the provisions of the Companies Act, 2013, Company has formed Audit Committee and Nomination and Remuneration Committee. The details of Composition of these Committees and their meeting held during the year are as follows:

##### A. AUDIT COMMITTEE:

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the provisions of Section 177 of the Companies Act, 2013.

During the year under review, four (4) Audit Committee Meetings were held on 24-04-2015, 12-08-2015, 05-11-2015 and 12-02-2016.

As on date the Audit Committee comprises of the following:

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Kaushal R. Sheth	NED (I)	Chairman	4	4
2.	Mr. Manikandam P. Kammenchery	NED (I)	Member	4	4
3.	Mr. Shantilal P. Shah	NED (I)	Member	4	4

Mr. Kaushal R. Sheth, was appointed as the Chairman of the Committee w.e.f. 01-04-2015. Mr. Jagdish J. Kothari resigned from the Board w.e.f. 01-04-2015 consequently his membership in the Committee also ceased.

All members of the Audit Committee are financially literate.

Mr. Kaushal R. Sheth, Chairman – Audit Committee was present at the Annual General Meeting held on 30-09-2015. All the recommendations made by the Audit Committee during the year were accepted by the Board.

## **B. NOMINATION & REMUNERATION COMMITTEE**

As per the provisions of sub-section (1) of Section 178 of the Companies Act, 2013, Company also has the Nomination and Remuneration Committee consisting of Mr. Kaushal R. Sheth, Independent Director as Chairman, Mr. Manikandam P. Kammenchery, Independent Director as Member and Mr. Shantilal P. Shah, Non-executive Director as Member of the Committee.

Mr. Jagdish J. Kothari resigned from the Board w.e.f. 01-04-2015 consequently his membership in the Committee also ceased. Mr. Kaushal R. Sheth, was appointed as the Chairman of the Committee w.e.f. 01-04-2015.

During the year under review, Two (2) Nomination & Remuneration and Evaluation Committee Meetings were held on 12-08-2015 and 30-01-2016.

The Policy is annexed at the end of this report as **Annexure 2**. Details of remuneration paid to all Directors are provided in the form MGT-9 attached as Annexure-1 to this report.

All the recommendations made by the Nomination & Remuneration Committee during the year were accepted by the Board. Pursuant to the provision of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee carried out evaluation of every Director's performance for the financial year 2015-16 in their meeting held on 23rd May, 2016.

## **FORMAL ANNUAL EVALUATION MADE BY BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEE AND OF INDIVIDUAL DIRECTORS:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluation of working of committees of Board of Directors.

Executive Directors were evaluated on the basis of targets / criteria given to them by the board from time to time as well as per their terms of appointment. Independent Directors, being evaluated by entire board except of Director being evaluated, on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV of the Companies Act, 2013. Chairman and other Non-Independent Directors were being evaluated by Independent Directors, who also reviewed the performance of secretarial department. Performance evaluation of the Committees and that of its members in effectively discharging their duties, were also being carried out by board.

The overall performance of Chairman, Executive Directors and Non-Executive Directors of the Company is satisfactory. The review of performance was based on criteria of performance, knowledge, analysis, quality of decision making etc.

## **COMPANY'S POLICY ON DIRECTOR' APPOINTMENT REMUNERATION AND EVALUATION:**

The Company has a Nomination and Remuneration Committee with 3 non-executive Directors, out of which two Directors are Independent Directors. The Chairman of the Committee is an Independent Director. The Company has framed a Nomination Remuneration and Evaluation Policy. The information under section 134 (3) (e) of the Companies Act, 2013 with respect to the Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is attached as **Annexure-2** to this report.

## **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Independent Directors of the Company have submitted declaration of their independence stating that they are fulfilling the criteria of independence as described in section 149 (6) of the Companies Act, 2013, the same were placed before the Board of Directors and Board noted the same.

**INDEPENDENT DIRECTORS' MEETING:**

During the year under review, the Independent Directors met on 24th February 2016, without the attendance of Non-Independent Directors and members of management, inter alia to discuss:

- To review the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive directors;
- Assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, it is hereby confirmed that

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors have prepared the annual accounts on a going concern basis;

(e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

**STATUTORY AUDITORS:**

- **Ratification:**

M/s. Bhuta Shah & Co., Chartered Accountants, Mumbai, (ICAI Firm Registration No. 101474W), Statutory Auditors of the Company, were appointed as the Statutory Auditors of the Company to hold the office for a period three years, from the conclusion of last Annual General Meeting of the Company held on 30<sup>th</sup> September, 2014. The said appointment needs to be ratified by the members of the Company at every annual general meeting during the said period and the Statutory Auditors have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

As required above, the Board has, after considering the recommendations of its Audit Committee, incorporated a suitable resolution for your consideration and approval in the notice calling ensuing Annual General Meeting of the Company.

- **Auditors Observations & Management Response:**

The auditor has qualified opinion over the matter of provision for gratuity however the Company has already appointed actuary to carry out actuarial valuation of gratuity. On receipt of report appropriate action would be taken.

**INTERNAL AUDITORS:**

The Company continues to engage M/s. Prakash Muni & Associates (ICAI Firm Registration No. 111792W) as its Internal Auditor during the Financial Year 2015-16. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**COST AUDIT:**

During the year under review Cost Audit was not applicable to the Company's products/ business.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

There was no loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year, the Board of Directors the Company has not entered into any transaction falling under Section 188 (1) of the Companies Act, 2013; therefore disclosure under this section is not applicable to the Company.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Since Our Company is not a manufacturing Company, This clause is not applicable to the Company during the financial year under consideration.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

(Amount in ₹)

	2015-2016	2014-2015
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review Mr. Raichand P. Shah, Non-Executive Director and Mr. Hardik A. Shah, Whole-time Director are liable to retire by rotation at the ensuing AGM and offer themselves for re-appointment.

During the year under review Mr. Kaushal R. Sheth was appointed as Additional Independent Director on w.e.f. 01-04-2015 and he was regularized as the Independent Director of Company at the AGM held on 30-09-2015, for a term of five (5) years with effect from 01-04-2015 to 31-03-2020.

Mr. Amrut P. Shah, Non-Executive Director and Mrs. Riddhi C. Gala, Whole-time Director of the Company were liable to retire at AGM held on 30-09-2015 and being eligible offered them for reappointment were being reappointed.

Mr. Jagdish J. Kothari, Independent Director of the Company demitted office as the Director with effect from 01-04-2015 respectively.

Ms. Komal M. Khakhar, Company Secretary and KMP of the Company resigned from the office of Company Secretary of the Company w.e.f. 01-07-2015.

Mr. Latesh S. Shah was appointed as Company Secretary and KMP of the Company w.e.f. 01-02-2016.

Brief profile of the Directors seeking appointment/re-appointment at the ensuing AGM has been attached to the Notice of AGM forming part of this report.

None of the Directors of the Company are Dis-qualified under Companies Act, 2013. The Company has received necessary disclosures, as required under the provisions of Companies Act, 2013.

**BUSINESS RISK MANAGEMENT & RISK MANAGEMENT POLICY:**

Our Company has in place risk management system which takes care of risk identification, assessment and mitigation. Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

Therefore, in accordance with Section 134(3) (n) of the Companies Act, 2013, the management periodically briefs the officers and other employees of the Company on the emerging risks along with the risk mitigation plans put in place. Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Risk Management framework shall primarily focus on the elements such as Risk to Company Assets and Property, Employees Related Risks, Foreign Currency Risks, Risks associated with Non-Compliance of Statutory enactments, Competition Risks, Operational Risks and various other types of risks which may affect the business or organization.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same. There are no risks which in the opinion of the Board threaten the existence of your Company.

#### **DETAILS OF DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence there are no details to be disclosed under Rule 8(5) (v) of the Companies (Accounts) Rules, 2014.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS:**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### **COMPLIANCE WITH ACCOUNTING STANDARDS:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Since company has not declared Dividend from the date of Incorporation no amounts remain unpaid and therefore no amount was transferred to IEPF.

#### **STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL OF SUBSIDIARIES:**

During the year under review your Company did not have any subsidiary neither did it have an associate company nor did it enter in to a joint venture with any other company.

#### **DISCLOSURE UNDER SEXUAL HARASSMENT AT WORK-PLACE:**

During the year under review no complaints has been received by Company under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

#### **VIGIL MECHANISM:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013.

Vigil mechanism (Whistle Blower Policy) satisfying the Company's Code of Conduct and Ethics, and particularly assuring that business is conducted with integrity and that the Company's financial information is accurate. The reportable matters may be disclosed by the employees to the Management / Managing Director / Chairman of the Audit Committee. No complaint was received during the financial year 2015-16. During the year under review, no employee was denied access to the Audit Committee.

#### **HUMAN RESOURCES:**

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

#### **OTHER DISCLOSURES/REPORTING:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise,
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme,

Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).

#### **ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

By Order of the Board of Directors

**E-Class Education System Limited**

Sd/-  
**Amrut P. Shah**  
Chairman  
(DIN: 00033120)

**Address:** 502, Prangan, 5th Floor,  
Malviya Road, Vile Parle (East),  
Mumbai: 400057,  
Maharashtra, INDIA.

Date: 8<sup>th</sup> August, 2016  
Place: Mumbai

Sd/-  
**Hardik A. Shah**  
Whole-time Director  
(DIN: 06380442)

**Address:** 502, Prangan, 5th Floor,  
149, Malviya Road, Vile Parle (East),  
Mumbai: 400057,  
Maharashtra, INDIA.

## Annexure -1

## EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A.REGISTRATION AND OTHER DETAILS:							
CIN:-		U80212MH2009PLC194231					
Registration Date:		7/20/2009					
Name of the Company:		E-CLASS EDUCATION SYSTEM LIMITED					
Category / Sub-Category of the Company		Indian- Non Government Company					
Address of the Registered office and contact details:		5/6 Papa Industrial Estate, Suren Road, Andheri (E ), Mumbai - 400093, Maharashtra, India. Website: www.e-class.in, Email: info@e-class.in, Tel: 022 6760 2200, Fax: 022 6760 2244.					
Whether listed company		No					
Name, Address and Contact details of Registrar and Transfer Agent, if any		M/s Sharex Dynamic (India) Private Limited, Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072.Tel: 022 2851 5606, Fax: 022 2851 2885					
B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:							
Sr. No.	Name and Description of main products / services			NIC Code of the Product/ service		% to total turnover of the company	
a.	DIGITAL EDUCATION			80		100%	
C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES							
Sr. No.	Name and address of the company		CIN/GLN	Holding/Subsidiary/Associate		% of Shares Held	Applicable Section
a	SUNDARAM MULTI PAP LIMITED		L21098MH1995PLC086337	HOLDING COMPANY		100	2 (46)
D. SHARE HOLDING PATTERN							
i) Category-wise Share Holding							
Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015			No. of Shares held at the end of the year 31/03/2016			% Change during the year
	Physical/Demat	Total	% of Total Shares	Physical/Demat	Total	% of Total Shares	
<b>A. PROMOTER'S</b>							
<b>(1). INDIAN</b>							
(a). individual	0	0	0	0	0	0	0
(b). Central Govt.	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0
(d). Bodies Corpp.	15000000	15000000	100	25000000	25000000	100	66.66
(e). FIINS / BANKS.	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>15000000</b>	<b>15000000</b>	<b>100</b>	<b>25000000</b>	<b>25000000</b>	<b>100</b>	<b>66.66</b>
<b>(2). FOREIGN</b>							
(a). Individual NRI / For Ind	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>15000000</b>	<b>15000000</b>	<b>100</b>	<b>25000000</b>	<b>25000000</b>	<b>100</b>	<b>66.66</b>
<b>(B) (1). PUBLIC SHAREHOLDING</b>							
(a). Mutual Funds	0	0	0	0	0	0	0
(b). Banks / FI	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0
(e). Venture Capital Funds	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0
(g). FIIs	0	0	0	0	0	0	0
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>2. Non-Institutions</b>								
<b>(a). BODIES CORP.</b>								
(i). Indian	0	0	0	0	0	0	0	0
(ii). Overseas	0	0	0	0	0	0	0	0
<b>(b). Individuals</b>	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0
<b>(c). Other (specify)</b>	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>15000000</b>	<b>15000000</b>	<b>100.00</b>	<b>25000000</b>	<b>25000000</b>	<b>100.00</b>	<b>66.66</b>	

**(ii) Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during theyear
1	SUNDARAM MULTI PAP LIMITED	15000000	99.99	99.99	25000000	100	60.00	66.66

**(iii) Change in Promoters' Shareholding**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total Shares of the Company
1	SUNDARAM MULTI PAP LIMITED	15000000	100	4/1/2015	-	-	-	-
				2/24/2016	10000000	ALLOTMENT	25000000	100
	Closing Balance	25000000	100					

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total Shares of the Company
	Nil							

**(v) Shareholding of Directors and Key Managerial Personnel: NIL**

		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
Sr. No	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	217638970	780000	218418970
ii) Interest due but not paid	0	36198505	0	36198505
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>253837475</b>	<b>780000</b>	<b>254617475</b>
Change in Indebtedness during the financial year				
Additions	0.00	0.00	0.00	0.00
Reduction	0.00	110829139	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	143008336	780000	0.00
iii) Interest accrued but not due	0.00	22977991	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>165986327</b>	<b>780000</b>	<b>0.00</b>

#### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTM/Manager		Total Amount
		HARDIK A. SHAH (WHOLE-TIME DIRECTOR)	RIDDHI C. GALA (WHOLE-TIME DIRECTOR)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	12,00,000	18,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit	-	-	
	- others, specify...	-	-	
5	Others, please specify	-	-	
	<b>Total (A)</b>	<b>6,00,000</b>	<b>12,00,000</b>	<b>18,00,000</b>
	Ceiling as per the Act			
		This remuneration is as per Schedule V of Companies Act, 2013		

**B. Remuneration to other directors: NIL****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		KOMAL KHAKHAR (COMPANY SECRETARY) (UPTO 30-06-2015)	LATESH S. SHAH (COMPANY SECRETARY) (W.E.F. 01-02-2016)	DIPESH DEDHIA (CFO)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,000	24,000	6,00,000	6,84,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total</b>	<b>60,000</b>	<b>24,000</b>	<b>6,00,000</b>	<b>6,84,000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (Not Applicable)**

By Order of the Board of Directors  
**E-Class Education System Limited**

Sd/-  
**Amrut P. Shah**  
 Chairman  
 (DIN: 00033120)

**Address:** 502, Prangan, 5th Floor,  
 Malviya Road, Vile Parle (East),  
 Mumbai: 400057,  
 Maharashtra, INDIA.

Date: 8<sup>th</sup> August, 2016  
 Place: Mumbai

Sd/-  
**Hardik A. Shah**  
 Whole-time Director  
 (DIN: 06380442)

**Address:** 502, Prangan, 5th Floor,  
 149, Malviya Road, Vile Parle (East),  
 Mumbai: 400057,  
 Maharashtra, INDIA.

## Annexure – 2

### NOMINATION AND REMUNERATION POLICY

#### **Purpose:**

The primary objective of the Policy is to provide a framework and set standards for the Nomination, Remuneration and Evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

#### **Accountabilities:**

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

#### **Definitions:**

A. Key Managerial Personnel: Key Managerial Personnel means-

1. Chief Executive Officer or the Managing Director or the Manager;
2. Company Secretary;
3. Wholetime Director;
4. Chief Financial Officer; and
5. Such other officer as may be prescribed.

B. Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

#### **Objective of the Policy:**

As required under the provisions of Section 178 of the Companies Act, 2013 constituted a Board level committee titled “Nomination and Remuneration Committee” (herein after referred as the Committee) to oversee, inter-alia, matters relating to:

- A. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- B. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- C. Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- D. Carry out Annual performance evaluation of every Director's performance including that of Independent Directors and;
- E. Devise a policy on Board Diversity.

This Policy sets out the framework and guidelines that the said Committee is expected to observe in discharging its functions effectively as contemplated under aforesaid provisions i.e. to oversee process of identifying persons qualified to become directors of the Company, determining their qualifications, positive attributes and independence as well as identifying persons who may be appointed in senior management in accordance with the Company's internal requirements from time to time; in making its recommendations to the Board as to their appointment or removal as the case may be and to carry out evaluation of every director's performance including Independent Directors.

This Policy also contains the remuneration policy relating to the remuneration of the Directors, Key Managerial and Senior Managerial Personnel as well as policy on Board Diversity as recommended by the Committee and approved by the Board.

It is to be noted that framework and guidelines set out hereunder is subject to such periodical reviews and the Committee in consultation with Board of Directors and top management of the Company, may make such alterations as may be required from time to time to meet the exigencies arising out of statutory modifications or otherwise.

#### **POLICY FOR NOMINATION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:**

##### **Nomination Criteria for Directors:**

In identifying and recommending the candidature for appointment as Director, the Committee will consider any or all of the following criteria:

**Additional Criteria for Appointment of Independent Directors:**

The Committee will consider whether the Director meets the criteria of Independence as well as other attributes as mentioned under the provisions of Section 149 of the Companies Act, 2013 read with applicable rules and Schedule IV thereunder, including any amendments made thereof from time to time.

**Nomination Criteria for KMPs / Senior Management Personnel:****The committee will consider:**

1. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, qualification, expertise and experience.
2. Possessing adequate qualification, expertise and experience as prescribed by the Company for the position he / she is considered for appointment. The Committee for this purpose, if required, will avail the assistance of other top executives of the Company but however, has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Ensure that the person discloses his interest and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
4. Ensure that the Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who is below the age of Twenty-one years or has attained the age of seventy years without the approval of shareholders by passing a special resolution with proper justification.

**Additional Responsibility of the Board:**

It is further to be noticed that it is the responsibility of the Board to obtain other relevant and applicable approvals and procedures as laid down under the provisions of the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force and applicable as the case may be.

**Term / Tenure, Continuity and Renewal:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. The terms of KMPs and other Senior Management employees shall be governed under their respective terms of appointment. As regards the continuity or renewal of appointment of Directors; their resignation and removal, the Committee will make its recommendations to the Board, based on the periodical evaluation process to be done under this document from time to time as well as subject to observation of provisions as contemplated under the Companies Act, 2013 and other applicable laws relating to disqualifications, resignation, removal and retirement. Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company respectively. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Matters pertaining to Remuneration:**

This policy also sets out the following remuneration policy applicable to the remuneration payable to Directors, Key Managerial and other Senior Managerial Personnel and other employees of the Company.

**General:**

1. The Company's remuneration policy, in general, is driven by the success and performance of the individual employee as well as his expertise in critical areas of operations of the Company.
2. The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval and while recommending such remuneration, the Committee will consider, inter-alia, whether
  - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person of the quality or expertise required to run the company successfully;
  - b) The remuneration is comparable and in proportion to the accepted industry standards;
  - c) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - d) To the extent possible, such remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. The remuneration / compensation / commission etc. so recommended shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
4. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors.
5. Where if any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
6. Loans, advances and other similar kind of benefits to KMPs, Senior Management Personnel will be governed by Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

#### **Remuneration to Executive Directors, KMPs and Senior Management Personnel:**

##### **A. Fixed pay:**

The Executive Director/ KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc., shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and/or Central Government, wherever required. Besides, Managing Director may be eligible for commission such that the total remuneration payable shall not exceed 5% of the net profits for each financial year as determined under the provisions of the Companies Act, 2013. Remuneration payable to Senior Management Personnel will be governed by their respective terms of appointment.

##### **B. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors including Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### **C. Provisions for excess remuneration:**

If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he /she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### **Remuneration to Non-Executive / Independent Directors:**

##### **A. Sitting Fee:**

The Non- Executive / Independent Directors may receive remuneration by way of fee for attending meetings of Board or Committee thereof. Provided that the amount of such fee shall not exceed such amount per meeting as may be prescribed under the provisions of the Companies Act, 2013 and rules made thereunder (as amended from time to time and approved by the Board).

##### **B. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### **Matters pertaining to Evaluation:**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, internal code of conduct and policies formulated by the Company for its internal execution. Therefore it is necessary for the company to carry out the evaluation of all the directors on an annual basis. As regards the evaluation process; the scheme of the Companies Act, 2013:

- a) As required under Section 134(3)(p) of the Companies Act, the manner of formal evaluation made by Board of Directors of its own performance, that of its committees and individual Directors shall be disclosed in Board's Report;
- b) As required under Section 178(2), the Nomination and Remuneration Committee shall carry out evaluation of every Director's performance;
- c) As required under Clause VII of Schedule IV to the Companies Act, 2013; in the separate meeting held by the Independent Directors:

- i. Performance of the non-independent directors and the Board as a whole shall be reviewed and
- ii. Performance of the Chairperson of the Company (after taking into account views of Executive and Non-Executive Directors) shall be reviewed.

d) Nomination & Remuneration Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors and performance evaluation of Independent Directors shall be done by the entire Board.

As regards the evaluation criteria to be followed by Board for its evaluation of Committees and other Directors including Independent Director or Non-Independent Directors, the same are dealt in other documents dealing with respective criteria of evaluations including the Duties, Responsibilities and key functions of Board as contemplated under the Act. In all these cases, be it by Board or by Independent Directors, the evaluation of each Director would be done based on parameters like:

- a) Well informed and understand the Company, its business and the external environment in which it operates;
- b) Prepare well and participate actively in the Board and its committee meetings;
- c) Effectively probe to Test the assumptions; rendering independent and unbiased opinion;
- d) Assertive in holding to their views and resisting pressure from others;
- e) Follow-up on matters about which they have expressed concern;
- f) Strive to attend all meetings of the Board of Directors, Committees and General meetings;
- g) Contributions in development of a Strategy, Business plan or risk management;
- h) Maintenance of good interpersonal and cordial relationship with other Board members, KMPs and Senior Management Personnel;
- i) Diplomatic and convincing way of presenting their views and listening to views of others;
- j) Up-to-date with the latest developments in areas such as the corporate governance framework, financial reporting and in the industry and market conditions etc.,
- k) Adhering to ethical standards, code of conduct of the Company and insider trading guidelines etc.,
- l) Making timely disclosures of their interest and disclosure of non-independence, when it exists;
- m) His/her contribution to enhance overall brand image of the Company.

Pursuant to the provisions of the Companies Act, 2013, the Board will carry out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees of the Board as applicable to the Company. Method of Performance Evaluation will be decided by board from time to time, Such as Questionnaire method, Comparison Method or and other method as may be decided by board. The Committee also follows the same in evaluating each Director of the Company. Further, the Executive Directors will be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time and Independent Directors would be evaluated by entire Board based on Professional Conduct, Roles, Functions and Duties as contemplated under Schedule IV of the Act, apart from their evaluation as Directors based on aforesaid criteria. The performance evaluation of the Chairman and the Non Independent Directors will be carried out by the Independent Directors who will also review the performance of the Secretarial Department.

## 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<sup>st</sup> March 2016, 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 for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

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

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

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

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

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

#### Basis for Qualified Opinion

As more fully explained in Note 32 to the financial statements, no provision is made for gratuity which constitutes a departure from the Accounting Standard - 15 "Employee Benefits (revised 2005)". We were unable to obtain sufficient appropriate audit evidence, consequently the impact thereof on the loss for the year and liability as at year end is not ascertainable.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the following matters in the notes to financial statements:

(a) Note 9 in the financial statements which indicate that, the Company has recognized deferred tax assets of ₹ 51,955,496 on brought forward business losses and unabsorbed depreciation to the extent there is deferred tax liability on timing difference that will reverse in future.

(b) Note 24 in the financial statements which indicate that, balances of certain trade receivables and advances are subject to confirmation and reconciliation. However, the management does not expect any material variation affecting the current year's financial statements on account of such reconciliation/adjustments. Accordingly, no provision has been made in the financial statements.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

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

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

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations which would impact its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.: 101474W/W100100

**CA. Shailesh Bhuta**

Partner

Membership No.: 033958

**Mumbai, 23 May 2016**

## “Annexure – A”

to **Independent Auditors' Report** of even date on the financial statements for the year ended 31 March 2016 referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements”.

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:

As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of sub-clauses (a) to (c) of Clause (iii) of Para 3 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of loan given. The Company has not given any guarantee or provided any security during the year.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public as per provisions of section 73 to 76 of the Act and rules framed thereunder, and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act and accordingly, provisions of Clause (vi) of Para 3 of the Order are not applicable to the Company.

(vii) In respect of statutory dues:

(a) According to information and explanations given to us and on the basis of our examination of records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, service tax, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no arrears of statutory dues as on 31 March 2016 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax or cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institutions, banks or Government or dues to debenture holders. Accordingly, provisions of Clause (viii) of Para 3 of the Order is not applicable to the Company.

(ix) Based on our audit procedures and on the information and explanations given to us by the management, the Company has not raised moneys by way of initial public offer or further public offer during the year. Accordingly, provisions of Clause (ix) of Para 3 of the Order is not applicable to the Company.

(x) Based on the audit procedures performed and based on the information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of Clause (xii) of Para 3 of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares during the year under review and requirements of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised. The Company has not made preferential allotment or private placement of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors. Accordingly, provisions of Clause (xv) of Para 3 of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly, question of obtaining registration thereof does not arise.

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.: 101474W/W100100

**CA. Shailesh Bhuta**

Partner

Membership No.: 033958

**Mumbai, 23 May 2016**

**E-CLASS EDUCATION SYSTEM LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
		₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	3	250,000,000	150,000,000
Reserves And Surplus	4	(201,330,038)	(178,275,737)
		<b>48,669,962</b>	<b>(28,275,737)</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	165,986,327	253,837,475
Trade Payables	6	1,592,600	2,936,231
Other Current Liabilities	7	8,966,237	11,277,907
		<b>176,545,164</b>	<b>268,051,613</b>
<b>Total Equity &amp; Liabilities</b>		<b>225,215,126</b>	<b>239,775,876</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	8A	4,971,271	5,409,361
Intangible Assets	8B	42,037,140	46,663,221
Intangible Assets under Development		605,555	-
		<b>47,613,966</b>	<b>52,072,582</b>
Deferred Tax Assets (Net)	9	51,955,496	51,955,496
Long Term Loans And Advances	10	56,777,263	58,297,662
		<b>156,346,725</b>	<b>162,325,740</b>
<b>Current Assets</b>			
Inventories	11	29,066,709	32,084,619
Trade Receivables	12	33,051,291	34,313,200
Cash And Cash Equivalents	13	2,794,762	6,987,359
Short-Term Loans And Advances	14	3,955,639	4,064,958
		<b>68,868,401</b>	<b>77,450,136</b>
<b>Total Assets</b>		<b>225,215,126</b>	<b>239,775,876</b>

**Significant Accounting Policies***The accompanying notes form an integral part of the financial statements*

1 to 34

*As per our report of even date attached***For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.: 101474W/W100100

**CA. Shailesh Bhuta**

Partner

Membership No.: 033958

Mumbai, 23rd May, 2016

**For and on behalf of the Board of Directors****Amrut P. Shah**

Chairman

**Dipesh S.Dadhia**

Chief Financial Officer

**Hardik A. Shah**

Whole-time Director

**Latesh Shah**

Company Secretary

**E-CLASS EDUCATION SYSTEM LIMITED****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016**

Particulars	Notes	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b><u>INCOME</u></b>		₹	₹
Revenue From Operations	15	25,070,580	16,187,970
Other Income	16	-	101,492
<b>Total Income (I)</b>		<b>25,070,580</b>	<b>16,289,462</b>
<b><u>EXPENSES</u></b>			
Cost Of Materials Consumed	17	6,484,588	5,274,956
Employee Benefits Expenses	18	5,814,104	6,879,362
Finance Cost	19	22,426,389	38,931,766
Depreciation And Amortization Expenses	20	7,113,640	19,835,861
Other Expenses	21	6,286,160	4,585,427
<b>Total Expenses (II)</b>		<b>48,124,881</b>	<b>75,507,372</b>
<b>Profit / (Loss) Before Tax (I) - (II)</b>		<b>(23,054,301)</b>	<b>(59,217,910)</b>
<b><u>TAX EXPENSES:</u></b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Short / (Excess) Provision Of Earlier Years		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) For The Year</b>		<b>(23,054,301)</b>	<b>(59,217,910)</b>
Earnings Per Share (Face Value of ₹ 10/- each)	29		
(1) Basic		(1.44)	(3.95)
(2) Diluted		(1.44)	(3.95)

**Significant Accounting Policies**

The accompanying notes form an integral part of the financial statements 1 to 34

As per our report of even date attached

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No.: 101474W/W100100

**CA. Shailesh Bhuta**

Partner

Membership No.: 033958

Mumbai, 23rd May, 2016

**For and on behalf of the Board of Directors****Amrut P. Shah**

Chairman

**Dipesh S.Dadhia**

Chief Financial Officer

**Hardik A. Shah**

Whole-time Director

**Latesh Shah**

Company Secretary

**E-CLASS EDUCATION SYSTEM LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars		Year Ended 31st MARCH, 2016		Year Ended 31st MARCH, 2015	
		Amount in ₹		Amount in ₹	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit/(Loss) before Tax and Extraordinary items		(23,054,301)		(59,217,910)
	<i>Adjustment For :</i>				
	Depreciation	7,113,640		19,835,861	
	Interest Income	(975,219)		-	
	Dividend Income	-		-	
	Preliminary Expenses W/Off	-		-	
	Interest Paid	23,401,608		38,931,765	
	(Profit)/Loss On Sale Of Assets (Net)	-		-	
			<b>29,540,029</b>		<b>58,767,626</b>
	<b>Operating Profit Before Working Capital Changes</b>		<b>6,485,728</b>		<b>(450,283)</b>
	<i>Adjustment For :</i>				
	Trade Receivables	1,261,909		6,675,258	
	Inventories	3,017,910		2,334,214	
	Loans & Advances	1,629,719		3,054,551	
	Other Current Assets	-		-	
	Trade Payables	(1,343,631)		(3,011,695)	
	Other Liabilities & Provisions	(2,311,671)		(9,582,884)	
			<b>2,254,236</b>		<b>(530,555)</b>
	<b>Cash Generated From Operations</b>		<b>8,739,964</b>		<b>(980,839)</b>
	Direct Taxes Paid(Net)		-		-
	<b>Net Cash Flow Operating Activities</b>		<b>8,739,964</b>		<b>(980,839)</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>				
	Purchase Of Tangible Fixed Assets (Net)	(2,049,469)		(1,874,167)	
	Purchase Of Intangible Fixed Assets (Net)	(605,555)		-	
	Sale Of Tangible Fixed Assets	-		-	
	Purchase Of Equity Shares Of subsidiary	-		-	
	Interest Received	975,219		-	
	Dividend Received	-		-	
	<b>Net Cash Flow From Investing Activities</b>		<b>(1,679,805)</b>		<b>(1,874,167)</b>
<b>C.</b>	<b>Cash Flow From Financing Activities:</b>				
	Additional/(Repayment) Of Loan To Holding Company	(86,051,148)		37,253,393	
	Additional/(Repayment) Of Loan To Directors	(1,800,000)		2,341,984	
	Proceeds From Issue Of Share Capital	100,000,000		-	
	Interest Paid	(23,401,608)		(38,931,766)	
	Dividend Paid (Incl. Of Tax)	-		-	
	<b>Net Cash Flow From Financing Activities</b>		<b>(11,252,756)</b>		<b>663,612</b>
	<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>		<b>(4,192,597)</b>		<b>(2,191,394)</b>
	<b>Cash And Cash Equivalent At Beninning Of The Year</b>	6,987,359		9,178,753	
	<b>Cash And Cash Equivalent At End Of The Year</b>	2,794,762		6,987,359	
	<b>Net Increase/(Decrease)</b>		<b>(4,192,597)</b>		<b>(2,191,394)</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 Bhuta Shah & Co. LLP**

Chartered Accountants

Firm Reg. No.: 101474W/W100100

**CA. Shailesh Bhuta**

Partner

Membership No.: 033958

Mumbai, 23rd May , 2016

**For and on behalf of the Board of Directors**

**Amrut P. Shah**

Chairman

**Hardik A. Shah**

Whole-time Director

**Dipesh S.Dadhia**

Chief Financial Officer

**Latesh Shah**

Company Secretary

**Note 1**

E-learning: Leveraging the powers of Computers and using a blend of Internet, Mobile, and other means of Digital Communication Technologies, E-class Education System Limited our Wholly-owned Subsidiary Company is taking quality and affordable education to reach the millions of Students across the Maharashtra and even the remote areas of the State. E-class aims at educating the Majority of the Students across the state by providing various products such as Smartphone Application, Android Memory cards, Pen-drives etc. E-class offers E-Educational/ Digital products mapped to the Maharashtra State board, for 1st to 10th Standard syllabus courses on all the Subjects in Marathi, English, and Semi-English Languages. Our content have been designed and reviewed by eminent Academicians. It contains various chapter notes along with practical examples which can help to understand the concept. It also contains the question answer and Mind-map at the end of the chapter to test and enhance the knowledge.

With the increasing Government initiatives to promote the vision of Digital India, Universal digital literacy, universally accessible digital resources, the management is expecting an increase in the demand for E-learning content and positive for the future growth of the Company.

**Note 2****SIGNIFICANT ACCOUNTING POLICIES:****I. Accounting Conventions:**

These financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis except for certain financial instrument which are measured at fair values including Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 133 (3C) of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**II. Use of Estimates:**

Preparation of financial statements in conformity of Generally Accepted Accounting Principles 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 and if material, their effects are disclosed in the notes to the financial statements.

**III. Fixed Assets:**

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment and include amounts added on revaluation if any. The cost of Tangible Asset comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended 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 of acquisition net of any recoverable taxes less accumulated amortization and impairment, if any.

**IV. Depreciation / Amortization:**

Depreciation on tangible fixed assets is provided on straight line method as per the useful life prescribed in Schedule II of the Act. Depreciation on addition/deletion of assets during the year is provided on pro-rata basis. Brand is amortized over a period of five years on a systematic basis as decided by the management at the rate of 20% in each year.

**V. Investment:**

Non-current Investments are stated at cost. Provision for diminution in the value is made only if such a decline is other than temporary. Current investments are carried at lower of cost or fair value/ market value, determined on individual 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 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:**

- 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.
- Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- Interest income is recognized on the time proportion basis taking into account amount outstanding and interest rate applicable.

**VIII. Employee Benefits:****a) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

**b) Post-Employment Benefits:****i) Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to the separate entity. The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid / payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

**ii) Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

**c) Leave encashment:**

Liability on account of Leave Encashment up to year end has been provided/ paid during the year. None of the employee is allowed to carry forward leave to subsequent period.

**IX. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are affected. 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 and 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 has been not accounted for. As per AS 22, Deferred Tax assets should be recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The company does not have such virtual certainty hence no DTA is recognized.

**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.

## NOTE 3 : SHARE CAPITAL

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b>Authorized Capital</b> 25,000,000 (31 March 2015: 25,000,000) Equity Shares Of ₹ 10/- Each	250,000,000	250,000,000
	250,000,000	250,000,000
<b>Issued, Subscribed &amp; Paid - Up Capital</b> 25,000,000 (31 March 2015: 15,000,000) Equity Shares Of ₹ 10/- Each fully paid up	250,000,000	150,000,000
<b>Total Of Issued, Subscribed And Fully Paid Up Share Capital</b>	<b>250,000,000</b>	<b>150,000,000</b>

- a) **Reconciliation of the Number of Shares outstanding and the amount of share capital as at 31 March 2016 and 31 March 2015 is set out below:**

Particulars	2015-16		2014-15	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares Outstanding At The Beginning Of The Year	15,000,000	150,000,000	15,000,000	150,000,000
Shares Issued During The Year	10,000,000	100,000,000	-	-
Shares Bought Back During The Year	-	-	-	-
Shares Outstanding At The End Of The Year	<b>25,000,000</b>	<b>250,000,000</b>	<b>15,000,000</b>	<b>150,000,000</b>

- 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, 2013, 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 Company has allotted 10,000,000 fully paid up equity share of face value ₹ 10/- during the quarter ended 31 March 2016 by converting loan received from Sundaram Multipap Ltd.
- e) **The Details Of Share Holders Holding More Than 5% Shares**

Name of Shareholder	As at 31ST MARCH, 2016		As at 31ST MARCH, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sundaram Multi Pap Limited	25,000,000	100	15,000,000	100

## NOTE 4 : RESERVES &amp; SURPLUS

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b>Surplus/ (Deficit) In Statement Of Profit And Loss</b>		
Opening Balance	(178,275,737)	(119,468,297)
Add: Depreciation Adjusted Against Free Reserves	-	410,470
Add: Net Profit/ (Loss) For The Year	(23,054,301)	(59,217,910)
<b>Balance Available For Appropriation</b>	<b>(201,330,038)</b>	<b>(178,275,737)</b>
<b>Less: Appropriations</b>		
- Proposed Dividend	-	-
- Dividend Distribution Tax	-	-
- Transfer To General Reserve	-	-
<b>Closing Balance</b>	<b>(201,330,038)</b>	<b>(178,275,737)</b>
<b>Total of Reserves &amp; Surplus</b>	<b>(201,330,038)</b>	<b>(178,275,737)</b>

**NOTE 5 :SHORT TERM BORROWINGS**

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b><u>Loan And Advances From Related Parties</u></b>		
<b>Unsecured</b>		
Loans & Advances From Holding Company, Sundaram Multipap Limited	137,179,990	223,231,138
Loan From Directors*	28,806,337	30,606,337
<b>Total of Short Term Borrowings</b>	<b>165,986,327</b>	<b>253,837,475</b>

\* Loan from Directors is interest free.

**NOTE 6 : TRADE PAYABLES**

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
Trade Payables (Refer Note 26 For Details Of Dues To Micro, Small And Medium Enterprises)	1,592,600	2,936,231
<b>Total of Trade Payable</b>	<b>1,592,600</b>	<b>2,936,231</b>

**NOTE 7 : OTHER CURRENT LIABILITIES**

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b><u>Current Maturities Of Long-Term Borrowings</u></b>		
From Other Financial Institutions	-	1,000,000
Advance From Customers	1,078,859	1,128,857
<b><u>Other Payables</u></b>		
Outstanding Expenses	6,756,068	6,627,675
Outstanding Statutory Liabilities	351,310	1,741,375
Trade Deposits	780,000	780,000
<b>Total of Other Current Liabilities</b>	<b>8,966,237</b>	<b>11,277,907</b>

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

**NOTE : 8 - FIXED ASSETS**

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As on 1st April, 2015	Additions During the Year	Deductions During the Year	As on 31st March, 2016	As on 1st April, 2015	For the Year	As on 31st March, 2016	As on 31st MARCH, 2015
<b>(A) Tangible Assets (Owned)</b>								
Furniture & Fixtures	7,873,377	15,600	-	7,888,977	3,106,345	416,877	4,365,755	4,767,032
Office Equipments	4,493,282	116,809	-	4,610,091	3,850,952	153,623	605,516	642,330
<b>Total Tangible Assets</b>	<b>12,366,659</b>	<b>132,409</b>	<b>-</b>	<b>12,499,068</b>	<b>6,957,297</b>	<b>570,500</b>	<b>4,971,271</b>	<b>5,409,362</b>
<b>(B) Intangible Assets</b>								
Knowledge Based Content	118,928,573	1,917,060	-	120,845,633	72,818,828	6,464,407	41,562,398	46,109,745
Website	1,122,192	-	-	1,122,192	568,717	78,733	474,742	553,475
<b>Total Intangible Assets</b>	<b>120,050,765</b>	<b>1,917,060</b>	<b>-</b>	<b>121,967,825</b>	<b>73,387,545</b>	<b>6,543,140</b>	<b>42,037,140</b>	<b>46,663,220</b>
<b>TOTAL (A+B)</b>	<b>132,417,424</b>	<b>2,049,469</b>	<b>-</b>	<b>134,466,893</b>	<b>80,344,842</b>	<b>7,113,640</b>	<b>47,008,411</b>	<b>52,072,582</b>
<b>Previous Year</b>	<b>130,543,257</b>	<b>1,874,167</b>	<b>-</b>	<b>132,417,424</b>	<b>60,919,452</b>	<b>19,835,861</b>	<b>52,072,582</b>	<b>69,623,805</b>

## NOTE 9 : DEFERRED TAX ASSETS (NET)

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b>Liabilities</b>		
Depreciation	4,775,817	4,775,817
(A)	4,775,817	4,775,817
<b>Assets</b>		
Employee Benefits / Expenses Allowable on Payment Basis	-	-
Unabsorbed Depreciation and business losses	56,731,313	56,731,313
(B)	56,731,313	56,731,313
Less: Opening Net Deferred Tax Liability	(51,955,496)	(51,955,496)
(C)		
<b>Net Deferred Tax Liability / (Asset) Charged To Statement Of Profit And Loss (D)=A-B-C</b>	-	-
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(E )=C+D</b>	<b>(51,955,496)</b>

## NOTE 10 : LONG TERM LOANS AND ADVANCES

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b><u>Security Deposit</u></b>		
Secured, Considered Good	5,900,812	3,573,995
Unsecured, Considered Good	635,841	653,601
<b><u>Other Loans &amp; Advances</u></b>		
Unsecured Considered Good	50,240,610	54,070,066
<b>Total of Long Term Loans And Advances</b>	<b>56,777,263</b>	<b>58,297,662</b>

## NOTE 11 : INVENTORIES (At lower of cost and net realisable value)

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
Raw Material	29,066,709	32,084,619
<b>Total of Inventories</b>	<b>29,066,709</b>	<b>32,084,619</b>

## NOTE 12 : TRADE RECEIVABLES

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b><u>Debts Overdue By Six Months</u></b>		
Unsecured, Considered Good	-	-
<b><u>Others</u></b>		
Unsecured, Considered Good	33,051,291	34,313,200
<b>Total of Trade Receivables</b>	<b>33,051,291</b>	<b>34,313,200</b>

## NOTE 13 : CASH &amp; CASH EQUIVALENTS

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b><u>Cash-In-Hand</u></b>		
Cash Balance	786,776	439,407
<b>Sub Total (A)</b>	<b>786,776</b>	<b>439,407</b>
<b><u>Bank Balance</u></b>		
In Current Accounts	67,777	544,071
In Deposit Accounts*	1,940,209	6,003,881
<b>Sub Total (B)</b>	<b>2,007,986</b>	<b>6,547,952</b>
<b>Total of Cash &amp; Cash Equivalent (A) + (B)</b>	<b>2,794,762</b>	<b>6,987,359</b>

\* Includes deposit with banks of ₹ 19,40,209/- (Previous Year: ₹ 60,03,881/-) with original maturity of more than 12 months.

## NOTE 14 : SHORT TERM LOANS AND ADVANCES

	₹	₹
	As at 31 st March, 2016	As at 31 st March, 2015
<b><u>Others</u></b>		
Advance To Suppliers	1,314,693	1,202,804
Balance With Revenue Authorities	2,620,816	2,691,419
Prepaid Expenses	9,437	-
Other Advance	10,694	170,735
<b>Total of Short Term Loans And Advances</b>	<b>3,955,639</b>	<b>4,064,958</b>

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

## NOTE 15 : REVENUE FROM OPERATIONS

	₹	₹
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b><u>Local</u></b>		
Sale Of Products	25,070,580	16,187,970
<b>Total of Revenue From Operations</b>	<b>25,070,580</b>	<b>16,187,970</b>

## NOTE 16 : OTHER INCOME

	₹	₹
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Miscellaneous Income	-	101,492
<b>Total of Other Income</b>	<b>-</b>	<b>101,492</b>

## NOTE 17 : COST OF MATERIAL CONSUMED

	₹	₹
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b><u>Raw Material Consumed</u></b>		
Opening Stock	32,084,619	34,418,833
Add: Purchases	3,466,678	2,940,742
Transport Inward	35,551,297	37,359,575
Less: Closing Stock	29,066,709	32,084,619
<b>Total of Cost Of Materials Consumed</b>	<b>6,484,588</b>	<b>5,274,956</b>

**NOTE 18 : EMPLOYMENT BENEFITS EXPENSES**

	₹	₹
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salaries & Wages	3,635,138	4,564,462
Contribution To Provident Fund, Gratuity Fund & Other Funds	303,005	261,775
Directors' Remuneration	1,800,000	2,012,419
Staff Welfare	75,961	40,706
<b>Total of Employee Benefits Expenses</b>	<b>5,814,104</b>	<b>6,879,362</b>

**NOTE 19 : FINANCE COSTS**

	₹	₹
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Interest Expenses	23,379,680	38,873,317
Other Borrowing Costs	21,928	58,449
	23,401,608	38,931,766
Less :-Interest Income	975,219	-
<b>Total of Financial Costs</b>	<b>22,426,389</b>	<b>38,931,766</b>

**NOTE 20 : DEPRECIATION & AMORTIZATION EXPENSES**

	₹	₹
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Depreciation	570,500	929,187
Amortisation of Intangibles	6,543,140	18,906,674
<b>Total of Depreciation &amp; Amortisation Expenses</b>	<b>7,113,640</b>	<b>19,835,861</b>

**NOTE 21 : OTHER EXPENSES**

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
<b>Note 21 A: Manufacturing Expenses</b>		
Job Work Expenses	-	861,000
<b>Sub Total Note 21 A</b>	<b>-</b>	<b>861,000</b>
<b>Note 21 B: Selling &amp; Distribution Expenses</b>		
Sales Promotion & Advertisement Expenses	875,304	362,377
Freight, Clearing & Forwarding Charges	87,389	29,756
Commission Charges	1,458,126	253,362
<b>Sub Total Note 21 B</b>	<b>2,420,819</b>	<b>645,495</b>
<b>Note 21 C: Administrative Expenses</b>		
Repair & Maintenance to Building	34,399	51,574
Rent Expenses	1,036,000	667,696
Insurance Expenses	-	44,626
Motor Car Expenses	76,999	143,962
Travelling Expenses	71,085	50,840
Computer Maintenance	76,066	58,200
Conveyance Expenses	110,224	70,251
Postage & Courier	217,428	107,122
Legal, Professional & Consultancy Charges	1,461,761	360,510
Printing & Stationery	154,277	207,215
Auditors Remuneration (Refer Note 25)	65,000	25,000
Electricity Expenses	151,970	160,730
Listing & Registration Fees	62,507	49,864
Subscription Charges	6,000	-
Stamp Duty	100,000	320
Sundry Balance written off	21,520	703,944
Telephone Expenses	181,640	358,425
Sundry Expenses	38,466	18,654
<b>Sub Total Note 21 C</b>	<b>3,865,341</b>	<b>3,078,932</b>
<b>Total of Other Expenses (Note 21 A+ 21 B+ 21 C)</b>	<b>6,286,160</b>	<b>4,585,427</b>

**Note 22****Contingent Liability:**

In the opinion of the Board of directors, the Company has no contingent liability (31 March 2015: Nil)

**Note 23**

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 24**

Balances of certain trade receivables, trade payables, 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 25****Auditors Remuneration:**

(Amount in ₹)

Particulars	Current Year	Previous Year
Audit fees	50,000	25,000
Tax Audit Fees	25,000	NIL
Others	NIL	NIL
<b>Total</b>	<b>75,000</b>	<b>25,000</b>

**Note 26****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 27****Segment Reporting:**

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

**Note 28****Related Party Disclosures:**

a) List of related parties with whom the company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
<b>Holding Company</b>	Sundaram Multi Pap Limited	Company
<b>Key Management Personnel (KMP)</b>	Mr. Amrut P. Shah	Director
	Ms. Riddhi A. Shah	Whole-time Director
	Mr. Shantilal P. Shah	Director
	Mr. Hasmukh A. Gada	Director
	Mr. Hardik A. Shah	Whole-time Director

## b) Transactions with Related Parties:

Amount in ₹

Particulars	Holding Company	KMP
Loan Taken from Sundaram Multi Pap Limited	100,101,800 (-)	- (-)
Loan Taken from Mr. Amrut P. Shah	- (-)	- (3,000,000)
Loan Repayment to Mr. Amrut P. Shah	- (-)	18,000,000 (-)
Loan Repayment to Mr. Raichand P. Shah	- (-)	8,490 (-)
Repayment of loan taken from Sundaram Multi Pap Limited (₹ 100,000,000/- Repayment by issue of share)	209,130,939 (-)	- (-)
Interest paid to Sundaram Multi Pap Limited	22,977,991 (36,198,505)	- (-)
<b>Remuneration</b> Details are as under: Mr. Chirag K. Gala	- (-)	- (-)
Ms. Riddhi A Shah	- (-)	1,200,000 (1,068,548)
Mr. Hardik A. Shah	- (-)	6,000,00 (1,200,000)
Figures in bracket reflects previous year's amount		

## c) Outstanding Balances of Related Parties:

Amount in ₹

Particulars	Holding Company	KMP
Short term borrowing / payable	137,179,990 (223,231,138)	28,806,337 (30,614,827)

Figures in bracket reflects previous year's amount

## Note 29

## Computation of Basic and Diluted Earnings Per Share (EPS):

Particulars	Current Year	Previous Year
Net Profit/(Loss) After Tax available to equity shareholders (in ₹)	(23,054,301)	(59,217,910)
Weighted average number of equity shares for Basic and Diluted EPS	16,010,929	15,000,000
Basic and diluted earnings per share (Face Value ₹ 10) (in ₹)	(1.44)	(3.95)

**Note 30****Value of Raw Material Consumed:**

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
	Amount ₹	%	Amount ₹	%
Hardware				
(i) Imported	-	-	-	-
(ii) Indigenous	6,484,588	100.00%	5,274,956	100.00%
<b>Total</b>	<b>6,484,588</b>	<b>100.00%</b>	<b>5,274,956</b>	<b>100.00%</b>

**Note 31****Earnings and Expenditure in Foreign Currency:**

(Amount in ₹)

	Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
i.	Earnings in Foreign Currency	Nil	Nil
ii.	Expenditure in Foreign Currency:	Nil	Nil

**Note 32****Employee Benefits****1. Defined contribution plans:**

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Provident fund contributions amounting to ₹ 2.43 Lakhs (2015: ₹ 1.50 Lakhs) have been charged to the Statement of Profit and Loss. The contributions payable to this plan by the Company is at rates specified in the rules of the scheme.

**2. Defined benefit plans:**

The Company has a defined benefit gratuity plan. Every employee who has completed continuous service for five years or more gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Since none of the employees of the company have completed five years of service, the provisions of Gratuity Act, 1972 are not applicable to the Company; and hence no provision is made towards Gratuity Liability.

**Note 33****Disclosure in respect of lease:**

The Company has entered into operating lease arrangements for office premises. The leases are non-cancellable and are for a period of 1 November 2014 to 31 October 2017 years and may be renewed for a further period of 2 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 8 to 10% every year. The Company has taken cancellable lease for the office premises for a period of 10 December 2013 to 9 December 14.

(Amount in ₹)

Future minimum lease payments	2016	2015
Not later than one year	1,085,450	1,020,000
Later than one year and not later than five years (Up to 31 <sup>st</sup> October, 2019)	3,013,130	4,098,580
Later than five years	-	-
Total Lease payments of ₹ 1,020,000 (31 March 2015: ₹ 667, 696) recognised in the Statement of Profit and Loss.		

**Note 34**

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. LLP**

Chartered Accountants

Firm Regn. No. 101474W/W100100

For and on behalf of the Board of Directors

**CA. Shailesh Bhuta**

Partner

Membership No. 033958

**Amrut P. Shah**

Chairman

**Hardik A. Shah**

Whole Time Director

**Dipesh S.Dadhia**

Chief Financial Officer

**Latesh Shah**

Company Secretary

Mumbai, 23<sup>rd</sup> May, 2016

**E-CLASS EDUCATION SYSTEM LIMITED****CIN: U80212MH2009PLC194231**

R.O.: 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai: 400093, Maharashtra, INDIA

W: [www.e-class.in](http://www.e-class.in), Email: [info@e-class.in](mailto:info@e-class.in) T: 022 61163030 F: (91-22) 67602244**Form No. MGT-11**

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) holding ..... shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the company, to be held on the 30th day of September, 2016 at Registered Office: 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai: 400093, Maharashtra, INDIA at 4.00 p.m. or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	Type of Resolution	Optional	
			For	Against
1	To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31 <sup>st</sup> March, 2016, the reports of the Board of Directors and Auditors thereon.	Ordinary Resolution		
2	To re-appoint a Director in place of Mr. Raichand P. Shah (DIN: 06949019) who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution		
3	To re-appoint a Director in place of Mr. Hardik A. Shah (DIN: 06380442) who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary Resolution		
4	To ratify the appointment of M/s Bhuta Shah & Co., Chartered Accountants, Mumbai, (ICAI Firm Registration No. 101474W) Auditors of the Company.	Ordinary Resolution		

Signed this.....day of..... 2016

Signature of shareholder

Affix  
Re.1/-  
Revenue  
Stamp

Signature of Proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to put a "X" in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Please complete all details of Member(s) in the above box before submission.

**E-CLASS EDUCATION SYSTEM LIMITED**

CIN: U80212MH2009PLC194231

R.O.: 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai: 400093, Maharashtra, INDIA

W: [www.e-class.in](http://www.e-class.in), Email: [info@e-class.in](mailto:info@e-class.in) T: 022 61163030 F: (91-22) 67602244**ATTENDANCE SLIP**7<sup>th</sup> Annual General Meeting- 30<sup>th</sup> September 2016

<b>DP ID- Client ID/ Folio No.</b>	
<b>Name &amp; Address of Sole Member</b>	
<b>Name of Joint Holder(s)</b>	
<b>No. of Shares Held</b>	

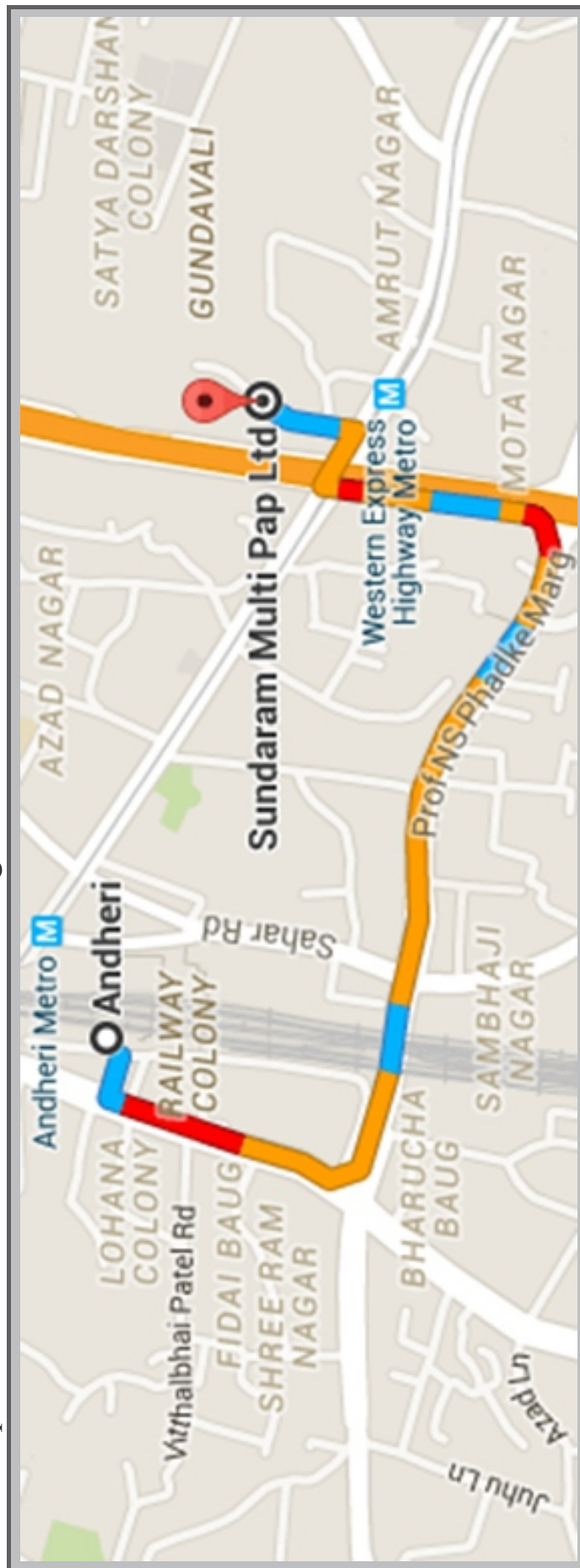
I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company at Friday, 30th September 2016 at 4.00 p.m. at Registered Office at 5/6, Papa Industrial Estate, Suren Road, Andheri (E), Mumbai- 400 093, Maharashtra, INDIA.

---

Member/Proxy's Signature

Route Map for Venue of Annual General Meeting





Memory Cards  
**52000**

Students  
**500000**

Schools  
**1000**

Videos  
**10000**

