

## **Independent Auditor's Report**

**To the Members of Shri Educare Ltd.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Shri Educare Ltd. which comprise the Balance Sheet as at 31<sup>st</sup> March 2013 and also the Statement of Profit and Loss and 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***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment,



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

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

As required by the Companies (Auditor's Report) order 2003, issued by the Central Government of India in term of Sub-Section (4A) of Section 227 of the Companies Act, 1956 we annex here to a statement on the matters specified in paragraph 4 and 5 of the said order.

### **Opinion**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2013
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## **Report on other Legal and Regulatory Requirements**

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the act;
- e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31March,2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Company's Act,1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Thakur, Vaidyanath Aiyar &Co.**

Chartered Accountants  
Reg. No. 000038N



(V. RAJARAMAN)

Partner

M. No.: 2705

Place : New Delhi

Date : 23 MAY 2013



**Annexure referred to in paragraph 3 of the Auditors' Report to the Members of Shri Educare Limited for the year ended 31<sup>st</sup> March, 2013.**

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
b. As explained to us, the physical verification of fixed assets, as on March 31<sup>st</sup>, 2013 was conducted by the management at the end of three year which in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such physical verification.
2. a. The company has granted unsecured loan to a company (KAMA Reality Delhi Ltd.) covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs. 227.00 lakhs. The Principal Amount of Rs. 227.00 lakhs and Interest of Rs. 6.68 lakhs thereon has been received by the Company. Thus there is no outstanding amount in this respect at the end of the year  
  
b. The company has taken an unsecured interest free loan from Kama Holdings Ltd. (holding company) covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 2004 Lakhs & Rs. 886 Lakhs respectively.
3. According to Internal Audit Report and the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business.
4. a. In our opinion, the company has an adequate internal Control system commensurate with the size of the company and the nature of its business.  
  
b. There are no continuing failures to correct matters in respect of lack of adequacy of internal controls brought to notice.
5. a. According to the information and explanations given to us and records of the company examined by us, undisputed dues including provident fund, Investors Education and Protection fund, employees' state insurance, income tax, sales-tax, wealth tax, custom duty, excise duty, cess and any other statutory dues have generally been



regularly deposited with the concerned authorities except arrear of service tax amounting to Rs.19,006 which has been outstanding as at 31<sup>st</sup> March,2013 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income tax, service tax, customs duty, wealth-tax, excise duty and cess as at 31<sup>st</sup> March,2013 which have not been deposited on account of any dispute.

6. As the company has been registered for a period not less than five years, requirements of reporting on accumulated losses as at March 31 ,2013 and cash losses in the financial year ended on that date or in the immediately preceding financial year, does not arise.
7. The company has obtained a term loan of Rs. 10 Crores/- during the year from bank which was guaranteed by KAMA Holdings Ltd (Holding Company). The said loan was dully repaid by the company during the year.
8. The company has made preferential allotment of shares to KAMA Holdings Ltd. (Holding Company) covered in the register maintained under section 301 of the Act during the year, of 17,50,000 Shares having face value of Rs. 10 each, fully paid up.
9. Based upon the audit procedures performed and information and explanations given by the management , we report that no fraud on or by the company has been noticed or reported during the year.

For **Thakur, Vaidyanath Aiyar &Co.**

Chartered Accountants

Reg. No. 000038N



(V. RAJARAMAN)

Partner

M. No.: 2705

Place : New Delhi

Date : 23 MAY 2013



**SHRI EDUCARE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2013**



Particulars	Note No.	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	1	<b>95,100,000</b>	77,600,000
Reserves and surplus	2	<b>(79,727,008)</b>	(68,310,456)
		<b>15,372,992</b>	9,289,544
<b>Non-current liabilities</b>			
Long term liabilities	3	<b>1,356,947</b>	-
Long-term provisions	4	<b>968,038</b>	544,457
		<b>2,324,985</b>	544,457
<b>Current liabilities</b>			
Short-term borrowings	5	<b>88,600,000</b>	82,100,000
Other current liabilities	6	<b>8,483,634</b>	9,272,551
Short-term provisions	7	<b>100,312</b>	12,736
		<b>97,183,946</b>	91,385,287
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>114,881,923</b>	101,219,288
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	8		
Tangible assets		<b>54,840,575</b>	20,732,344
Intangible assets		<b>3,666,754</b>	4,043,548
Capital work-in-progress		-	24,371,768
Non-current investments	9	<b>47,888,180</b>	43,948,178
Long-term loans and advances	10	<b>1,990,714</b>	4,042,858
		<b>108,386,223</b>	97,138,696
<b>Current assets</b>			
Trade receivables	11	<b>2,912,233</b>	456,734
Cash and cash equivalents	12	<b>1,204,173</b>	861,558
Short-term loans and advances	13	<b>2,366,294</b>	2,581,804
Other current assets	14	<b>13,000</b>	180,496
		<b>6,495,700</b>	4,080,592
<b>TOTAL ASSETS</b>		<b>114,881,923</b>	101,219,288

**Accounting policies and general notes as given in annexure & Note from 1 to 21 forms part of the Financial Statement**

In terms of our report attached  
**For Thakur Vaidyanath Aiyar & Co.**  
 Chartered Accountants  
 Regd No. 000038N



*[Signature]*  
 V. Rajaraman  
 Partner  
 No. 2705

*[Signature]*  
 Ekta Maheshwari  
 Whole Time Director & Company Secretary

*[Signature]*  
 Kartikeya Bharat Ram  
 Director

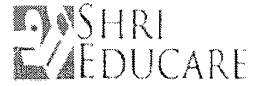
*[Signature]*  
 Himanshu Jain  
 Chief Executive Officer

*[Signature]*  
 Laxmi Singh  
 Manager Finance

*[Signature]*  
 Viney Kumar Dua  
 Director

Place: Delhi  
 Date: 23/05/2013

**SHRI EDUCARE LIMITED**



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

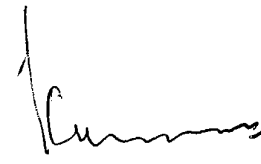
Particulars	Note No.	Year ended March 31, 2013 (₹)	Year ended March 31, 2012 (₹)
<b>REVENUE</b>			
Revenue from Operations	15	<b>37,897,883</b>	10,612,000
		<b>37,897,883</b>	10,612,000
Other Income	16	<b>1,110,191</b>	579,791
<b>TOTAL REVENUE</b>		<b>39,008,074</b>	11,191,791
<b>EXPENSES</b>			
Employee benefits expenses	17	<b>27,902,455</b>	19,250,967
Finance costs	18	<b>4,263,089</b>	8,060,681
Depreciation and amortization expenses	19	<b>2,418,760</b>	1,347,232
Other expenses	20	<b>15,840,322</b>	22,064,558
<b>TOTAL EXPENSES</b>		<b>50,424,626</b>	50,723,439
<b>Loss transfer to surplus</b>		<b>11,416,552</b>	39,531,648
<b>Earnings per share</b>			
Basic (Rs.)	21	<b>(1.29)</b>	(8.64)

**Accounting policies and general notes as given in annexure & Note from 1 to 21 forms part of the Financial Statement**

In terms of our report attached  
**For Thakur Vaidyanath Aiyar & Co.**  
 Chartered Accountants  
 Regd No. 000038N

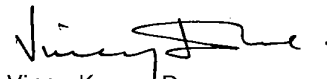
  
 V. Rajaraman  
 Partner  
 M. No. 2705

  
 Ekta Maheshwari  
 Whole Time Director & Company Secretary

  
 Kartikeya Bharat Ram  
 Director

  
 Himanshu Jain  
 Chief Executive Officer

  
 Laxmi Singh  
 Manager Finance

  
 Viney Kumar Dua  
 Director

Place: Delhi  
 Date: 23/05/2013



**SHRI EDUCARE LIMITED**

**1. Share Capital**

**a) Details of share capital**

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
<b>AUTHORISED</b>		
10,000,000 (Previous Year - 5,000,000) Equity shares of Rs. 10 each	<b>100,000,000</b>	100,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
9,510,000 (Previous Year - 7,760,000) Equity Shares of Rs. 10 each fully paid up	<b>95,100,000</b>	77,600,000
The entire share capital is held by the Holding Company (KAMA Holdings Limited) and its nominees		
	<b>95,100,000</b>	<b>77,600,000</b>

**b) Reconciliation of equity shares**

	Number of shares		Value Of Shares	
	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-13	As at 31-Mar-12
Balance as at the beginning	7,760,000	4,560,000	77,600,000	45,600,000
Share issued during the year	1,750,000	3,200,000	17,500,000	32,000,000
<b>Total</b>	<b>9,510,000</b>	<b>7,760,000</b>	<b>95,100,000</b>	<b>77,600,000</b>

Equity shares have a face value of Rs. 10 each.





## SHRI EDUCARE LIMITED

### 2. Reserves and Surplus

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
Surplus	<u>(79,727,008)</u>	<u>(68,310,456)</u>
<b>Total Reserves and Surplus</b>	<b><u>(79,727,008)</u></b>	<b><u>(68,310,456)</u></b>

	As at 31-Mar-12 (₹)	As at 31-Mar-11 (₹)
Loss as at the beginning of the year	<b>68,310,456</b>	28,778,808
Loss transferred from the Statement of Profit & Loss	<b>11,416,552</b>	39,531,648
<b>Loss as at the end of the year</b>	<b><u>79,727,008</u></b>	<b><u>68,310,456</u></b>



## SHRI EDUCARE LIMITED

### 3. Long term liabilities

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
For purchase of Capital Assets	1,356,947	-
	<u>1,356,947</u>	<u>-</u>



## SHRI EDUCARE LIMITED

### 4. Long term provisions

	<b>As at 31-Mar-13 (₹)</b>	<b>As at 31-Mar-12 (₹)</b>
Provision for Employee benefits		
-For Gratuity (non-funded)	<b>482,522</b>	284,425
-For Leave Encashment (non-funded)	<b>485,516</b>	260,032
	<b><u>968,038</u></b>	<u>544,457</u>



**SHRI EDUCARE LIMITED****5.Short term borrowings**

	<b>As at 31-Mar-13 (₹)</b>	<b>As at 31-Mar-12 (₹)</b>
<b>SHORT TERM BORROWINGS</b>		
<b>Unsecured</b>		
Loans repayable on demand		
-From Holdings Company	<b>88,600,000</b>	-
-From Others	-	82,100,000
<b>Total short term borrowings</b>	<b><u>88,600,000</u></b>	<b><u>82,100,000</u></b>

**Detail of Related Parties**

Name of the Party	Nature of Borrowing	Nature of relation	Amount	
			As at 31-MAR-13	As at 31-MAR-12
KAMA HOLDINGS LIMITED	Unsecured	Holding Company	88,600,000	-
KAMA RELATY (DELHI) LTD.	Unsecured	Fellow Subsidiary	-	82,100,000



## SHRI EDUCARE LIMITED

### 6. Other Current liabilities

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
Interest accrued and due on borrowings	-	3,533,403
Statutory dues	<b>1,066,183</b>	597,374
Security deposits from		
-Students	<b>1,630,000</b>	1,320,000
-Others	<b>1,460,084</b>	1,250,795
Income received in advance		
-Fee from students	<b>1,336,954</b>	1,197,800
-Others	<b>536,548</b>	320,000
Other payables		
-Due for Expenses Incurred	<b>565,133</b>	1,005,074
-Accrued salaries and benefits	<b>1,888,732</b>	48,105
<b>Total Other Current Liabilities</b>	<b>8,483,634</b>	<b>9,272,551</b>



## SHRI EDUCARE LIMITED

### 7. Short term provisions

	<b>As at 31-Mar-13 (₹)</b>	<b>As at 31-Mar-12 (₹)</b>
Provision for Employee Benefits		
-For Gratuity (non-funded)	<b>38,923</b>	3,490
-For Leave Encashment (non-funded)	<b>61,389</b>	9,246
	<b><u>100,312</u></b>	<b><u>12,736</u></b>



**SHRI EDUCARE LIMITED**
**8 : FIXED ASSETS**

Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2012	Additions	Deductions /Transfers	As at March 31, 2013	Upto March 31, 2012	For the year *	On deductions /Transfers	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>a) Tangible assets</b>										
Land										
- Leasehold	16,383,720	131,650	-	<b>16,515,370</b>	-	175,695	-	<b>175,695</b>	<b>16,339,675</b>	16,383,720
Building	-	24,592,621	-	<b>24,592,621</b>	-	292,133	-	<b>292,133</b>	<b>24,300,488</b>	-
Books	104,077	-	-	<b>104,077</b>	104,077	-	-	<b>104,077</b>	-	-
Furniture and fixtures	1,825,416	1,271,613	-	<b>3,097,029</b>	237,559	242,874	-	<b>480,433</b>	<b>2,616,596</b>	1,587,857
Office Equipment	864,199	9,096,269	-	<b>9,960,468</b>	98,579	369,934	-	<b>468,513</b>	<b>9,491,955</b>	765,620
Data Processing	1,468,142	171,742	-	<b>1,639,884</b>	580,135	467,178	-	<b>1,047,313</b>	<b>592,571</b>	888,007
Vehicles	<b>1,232,400</b>	700,000	-	<b>1,932,400</b>	125,260	307,850	-	<b>433,110</b>	<b>1,499,290</b>	1,107,140
<b>Tangible assets Total</b>	<b>21,877,954</b>	<b>35,963,895</b>	-	<b>57,841,849</b>	<b>1,145,610</b>	<b>1,855,664</b>	-	<b>3,001,274</b>	<b>54,840,575</b>	<b>20,732,344</b>
Previous year	17,022,861	4,995,553	140,460	21,877,954	353,409	797,667	5,466	1,145,610		20,732,344
<b>b) Intangible Assets</b>										
Trade Marks & Copyrights	5,013,966	153,802	-	<b>5,167,768</b>	1,053,384	506,364	-	<b>1,559,748</b>	<b>3,608,020</b>	3,960,582
Software	184,489	32,500	-	<b>216,989</b>	101,523	56,732	-	<b>158,255</b>	<b>58,734</b>	82,966
<b>Intangible assets Total</b>	<b>5,198,455</b>	<b>186,302</b>	-	<b>5,384,757</b>	<b>1,154,907</b>	<b>563,096</b>	-	<b>1,718,003</b>	<b>3,666,754</b>	<b>4,043,548</b>
Previous year	5,134,182	64,273	-	5,198,455	605,342	549,565		1,154,907		4,043,548
<b>Grand Total</b>	<b>27,076,409</b>	<b>36,150,197</b>	-	<b>63,226,606</b>	<b>2,300,517</b>	<b>2,418,760</b>	-	<b>4,719,277</b>	<b>58,507,329</b>	
Previous year	22,157,043	5,059,826	140,460	27,076,409	958,751	1,347,232	5,466	2,300,517		24,775,892
									<b>58,507,329</b>	24,775,892

Note : As per lease agreement for lease hold property ( Land), lease shall be valid for a period of 95 (ninety five) years from the Commencement Date (19th October, 2011).



## SHRI EDUCARE LIMITED

### 9. Non - Current Investments

Long term investments are valued at cost unless there is a decline in value, other than temporary. Current investments are valued at lower of cost or fair value.

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
<b>Other than trade investments</b>		
<b>Investments in Equity Shares of Shri Educare Maldives Pvt. Ltd. - unquoted</b>	<b>47,888,180</b>	43,948,178
<b>Total long term investments</b>	<b><u>47,888,180</u></b>	<u>43,948,178</u>
Aggregate amount of long term unquoted investments	47,888,180	43,948,178
Aggregate for diminution in value already considered in valuation of investments	-	-

### Name and Relationship with reference to the company

Relationship & Name	Nature of Investment	Number Of shares	Face Value & paid Up Value		Cost	
			MVR	INR	31-Mar-13 (₹)	31-Mar-12 (₹)
<b>Subsidiary</b>						
Shri Educare Maldives Pvt. Ltd.	Equity Share (Unquoted)	13,794,805	1.00	3.4715	<b>47,888,180</b>	43,948,178

### Movement of Investment

Relationship & Name	Nature of Investment	Opening		Additions		Closing	
		Number of shares	Amount of shares (₹)	Number of shares	Amount of shares (₹)	Number of shares	Amount of shares (₹)
<b>Subsidiary</b>							
Shri Educare Maldives Pvt. Ltd.	Equity Share (Unquoted)	12,650,255	43,948,178	1,144,550	3,940,002	13,794,805	47,888,180





## SHRI EDUCARE LIMITED

### 10. Long term loans and advances

Unsecured considered good, unless otherwise stated

	<b>As at 31-Mar-13 (₹)</b>	As at 31-Mar-12 (₹)
Due from Subsidiary		
Unsecured - considered good	<b>1579397</b>	2632329
Capital advances	<b>88,872</b>	999,799
Loans to employees	<b>322,445</b>	410,730
<b>Total long term loans and advances</b>	<b>1,990,714</b>	4,042,858



## SHRI EDUCARE LIMITED

### 11. Trade receivables

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
Receivables past due for a period within six months		
Unsecured – considered good	2,912,233	21,000
Receivables past due for a period exceeding six months		
Unsecured – considered good	-	435,734
<b>Total trade receivables</b>	<b>2,912,233</b>	<b>456,734</b>



## SHRI EDUCARE LIMITED

### 12. Cash and cash equivalents

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
Cash in hand	105,473	197,045
Balance with banks in Current accounts	1,098,700	664,513
<b>Total cash and bank balances</b>	<b>1,204,173</b>	<b>861,558</b>

Balance of Cash in Hand includes foreign currency in hand as given below which converted into INR at the respective closing rates.

-US Dollars nil in current year and 3415 in previous year

-Maldivian Rufiyaa 495 in current year and 925 in Previous year



## SHRI EDUCARE LIMITED

### 13. Short-term loans and advances

**(Unsecured considered good, unless otherwise stated)**

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
Loans to employees	123,803	115,035
Prepaid Expenses	68,354	43,507
Tax Deducted At Source	1,840,101	128,500
Advances	51,213	83,315
Security Deposits - Others	257,700	1,575,000
CENVAT/Service tax/VAT recoverable	25,123	636,447
<b>Total short-term loans and advances</b>	<b>2,366,294</b>	<b>2,581,804</b>



## SHRI EDUCARE LIMITED

### 14. Other current assets

	<b>As at 31-Mar-13 (Rs.)</b>	As at 31-Mar-12 (Rs.)
Receivable from Others	<b>13000</b>	180496
<b>Total other current assets</b>	<b><u>13,000</u></b>	<u>180,496</u>



## SHRI EDUCARE LIMITED

### 15. Revenue from operation

	Year ended 31-Mar-13 (₹)	Year ended 31-Mar-12 (₹)
Licence Fees	1,513,452	645,000
Project Management Fees	14,784,970	21,000
Annual Maintenance Fees	1,024,500	-
Students Fees	20,574,961	9,946,000
<b>Total Revenue from operations</b>	<b>37,897,883</b>	<b>10,612,000</b>



## SHRI EDUCARE LIMITED

### 16. Other income

	Year ended 31-Mar-13 (₹)	Year ended 31-Mar-12 (₹)
Exchange currency fluctuation	867	20,661
Sale of Form	108,500	87,950
Transport Charges(Net off Transport Expenses)	-	103,543
Trip Charges	56,600	41,850
Interest income		
▪ on loans to Employees	52,600	22,639
▪ on loans to others	668,236	-
Liability no longer required	100,730	6,938
Non-operating income	122,658	296,210
<b>Total other income</b>	<b>1,110,191</b>	<b>579,791</b>

Interest income includes Rs. 6,68,236/- received from related party



## SHRI EDUCARE LIMITED

### 17. Employee benefits expenses

	Year ended 31-Mar-13 ( <sup>1</sup> )	Year ended 31-Mar-12 ( <sup>1</sup> )
Salaries and wages	25,102,872	17,590,323
Contribution to provident and other funds	1,653,150	1,207,515
Staff welfare expenses	1,146,433	453,129
<b>Total employee benefits expenses</b>	<b>27,902,455</b>	<b>19,250,967</b>

\*Includes Rs. 6,19,123/- as managerial remuneration pay to Whole time Director (Ms. Ekta Maheshwari).





## SHRI EDUCARE LIMITED

### 18. Finance Costs

	Year ended 31-Mar-13 (₹)	Year ended 31-Mar-12 (₹)
Interest expenses		
▪ On Loans for fixed period	4,263,089	8,060,681
<b>Total financial costs</b>	<b>4,263,089</b>	<b>8,060,681</b>

Includes Rs. 2,60,348/- pay to related party interest cost.



## SHRI EDUCARE LIMITED

### 19. Depreciation and amortization expenses

	<b>Year ended 31-Mar-13 (₹)</b>	<b>Year ended 31-Mar-12 (₹)</b>
Depreciation on tangible assets	<b>1,855,664</b>	797,667
Amortization on intangible assets	<b>563,096</b>	549,565
<b>Total Depreciation and amortization expenses</b>	<b>2,418,760</b>	1,347,232



## SHRI EDUCARE LIMITED

### 20. Other expenses

	Year ended 31-Mar-13 (₹)	Year ended 31-Mar-12 (₹)
Rent	1,683,741	9,056,550
Repair & maintenance		
- On Building	199,992	2,019,000
- Other than building	795,411	418,994
Subscription Expenses	24,298	11,645
Software Expenses	-	176,295
Promotional Expenses	3,157,883	5,558,417
Professional Expenses	3,424,727	500,140
Audit fees	168,540	156,480
* Rates & taxes	414,317	19,706
Telephone & communication	415,593	365,493
Traveling and Conveyance Expenses	1,671,337	1,105,660
Transportation expenses (Net off Transport Charges)	303,705	-
Office expenses	354,589	321,553
Security Expenses	675,145	415,515
Filing Fees	14,750	256,200
Recruitment Expenses	588,500	150,403
Water and electricity	791,251	429,299
Postage and Courier	20,763	18,953
Printing and stationery	593,505	598,284
Donation	-	134,994
Education Aids	229,441	235,390
Festival & Celebrations	-	-
Bank Charges	21,398	21,367
Workshop and Training - Others	100,534	-
Curriculum Development Expenses	111,179	-
Miscellaneous expenses	79,723	94,220
<b>Total other expenses</b>	<b>15,840,322</b>	<b>22,064,558</b>

\* Rates & Taxes includes reverse charge on Service Tax of Rs. 2,03,391/- and interest there on of Rs. 8,940/-



## SHRI EDUCARE LIMITED

### 21. EPS

	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
Weighted Average Number of Shares*	<b>8,819,589</b>	4,577,486
Earnings available for Equity	<b>(11,416,552)</b>	(39,531,648)
Earning Per Share (EPS)	<b>(1.29)</b>	<b>(8.64)</b>

No financial instrument was issued which will have bearing on diluting the earning on equity.

#### \*Computation of Weighted EPS

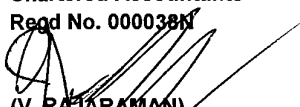
Particulars	No. of shares	No. of days(weights)	Weighted no. of Shares	Date of Infusion
opening	7,760,000	365	7,760,000	-
Infusion during the year	1,750,000	221	1,059,589	23.08.2012
<b>closing</b>	<b>9,510,000</b>		<b>8,819,589</b>	



**SHRI EDUCARE LIMITED**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I REGISTRATION DETAILS</b>		
Registration No.		183146
State Code		55
Balance Sheet Date		31.03.2013
<b>II CAPITAL RAISED DURING THE YEAR</b>		
Public Issue		NIL
Rights Issue		NIL
Bonus Issue		NIL
Private Placement		17,500,000
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		
Total Liabilities		<b>114,881,923</b>
Total Assets (*)		<b>114,881,923</b>
<b><u>Equity And Liabilities</u></b>		
Paid Up Capital		95,100,000
Capital Reserve		NIL
Secured Loan		NIL
Non - Current Liabilities		2,324,985
Current Liabilities		97,183,946
Deferred Tax Liability		NIL
Profit & Loss (Accumulated Losses)		(79,727,008)
	<b>Total</b>	<b>114,881,923</b>
<b><u>Assets</u></b>		
Non - Current Assets		108,386,223
Current Assets		6,495,700
	<b>Total</b>	<b>114,881,923</b>
(*) Net of Current Liabilities and Provisions		
<b>IV PERFORMANCE OF THE COMPANY</b>		
Turnover including Other Income		39,008,074
Total Expenditure		50,424,626
Profit Before Tax		(11,416,552)
Profit After Tax		(11,416,552)
Earning Per Share in Rs.		(1.29)
Dividend Rate		NIL
<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)</b>		
Item Code No. (ITC CODE)		N.A.
Product Description		N.A.

As per our Report of even date  
For THAKUR VAIDYANATH AIYAR & CO.,  
Chartered Accountants  
Regd No. 0000381

  
(V. RAJARAMAN)  
Partner  
M No.2705

  
(EKTA MAHESHWARI)  
Whole Time Director & Company Secretary

  
(KARTIKEYA BHARAT RAM)  
Director

Place : DELHI (HIMANSHU JAIN)  
Date : 23/03/13 Chief Executive Officer

  
(LAXMI SINGH)  
Manager Finance

  
(VINEY KUMAR DUA)  
Director



**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**  
**SHRI EDUCARE LIMITED**

	For the Year 2012-2013 (Rs.)	For the Year 2011-2012 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation and Extra-ordinary items.	(11,416,552)	(39,531,648)
<b>Adjustment for:</b>		
Interest & Finance Charges	4,263,089	8,060,681
Interest received on Loan	(720,836)	(22,639)
Depreciation	2,418,760	1,347,232
Donation (Fixed Assets)	-	134,994
Exchange Difference (Net)	867	20,661
	<u>5,961,880</u>	<u>9,540,929</u>
Operating profit before working capital changes	(5,454,672)	(29,990,719)
<b>Adjustment for:</b>		
Trade & Other receivables excluding Income Tax	(931,276)	970,864
Trade payables & provisions	<u>1,079,187</u>	<u>3,041,601</u>
	147,911	4,012,465
Cash generated from operations	(5,306,761)	(25,978,254)
Exchange Rate Difference set off	(867)	(20,661)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b><u>(5,307,628)</u></b>	<b><u>(25,998,915)</u></b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(10,778,630)	(5,011,261)
Advances paid for purchase of fixed assets	(88,872)	(999,799)
Capital work in progress.	-	(22,483,258)
Cost of Investments	(3,940,002)	(6,486,480)
Interest Income (Loan to Employees)	52,600	-
Interest Income (Loan to related party)	<u>668,236</u>	<u>22,639</u>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b><u>(14,086,668)</u></b>	<b><u>(34,958,159)</u></b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Short Tem term borrowing (Net)	6,500,000	16,300,000
Issue of share capital	17,500,000	32,000,000
Interest & Finance charges paid	<u>(4,263,089)</u>	<u>(8,060,681)</u>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C )</b>	<b><u>19,736,911</u></b>	<b><u>40,239,319</u></b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b><u>342,615</u></b>	<b><u>(20,717,755)</u></b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>861,558</b>	<b>21,579,313</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b><u>1,204,173</u></b>	<b><u>861,558</u></b>

For THAKUR, VAIDYANATH AIYAR & CO.  
Chartered Accountants  
Regd. No. 000038N

(RAJARAMAN)  
Partner  
M No.2705

(Viney Kumar Dua)  
Director

(Kartikeya Bharat Ram)  
Director

Ekta  
(Ekta Maheshwari)  
Whole Time Director & Company Secretary

(Himanshu Jain)  
Chief Executive Officer

(Laxmi Singh)  
Manager Finance

Place : DELHI  
Date : 23/05/2013



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****ABOUT THE COMPANY:**

**Shri Educare Limited:** SEL is engaged in rendering assistance to the Schools for establishing, managing and running the schools including sub-licensing of copyrights, trademarks, and Software. Apart from these Shri Educare Limited is also engaged in the following activities:

- The Shri Ram Early Years: SEL owns a play school in name of "The Shri Ram Early Years" which is run and managed entirely by SEL.
- The Shri Ram Coaching Classes: SEL runs a coaching center by the name of "The Shri Ram Coaching Classes" for preparing students of class 06<sup>th</sup>-12<sup>th</sup> for CBSE and competitive exams.
- Providing software application support to schools: SEL also provides software application support (Shri Connect) to various schools.

**1. ACCOUNTING POLICIES****(i) ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets, and have been prepared in accordance with the applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

**(ii) ACCRUAL BASIS**

All items of revenue whether expenditure or income are accounted on accrual basis.

**(iii) USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**(iv) RECOGNITION OF INCOME**

Income is recognized on the basis of Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India.

**(v) FIXED ASSETS**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.



**(vi) DEPRECIATION**

- a. Depreciation on fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 or at rates arrived at on the basis of the balance useful lives of the assets based on technical evaluation / revaluation of the related assets, whichever is higher, except in case of the following assets where depreciation is provided at the rates indicated against each assets: -

Data Processing	-	31.67%
Vehicles	-	20%
Leasehold Land (for 95 Years)	-	1.06%

- b. Depreciation is calculated on a pro rata basis except that, assets costing upto Rs. 5,000 each are fully depreciated in the year of purchase.
- c. On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale / discard.
- d. Depreciation (amortization) on intangibles is provided on straight line method as follows:
- Trademark and Copyrights over a period of ten years
  - Software over a period of three years

**(vii) EMPLOYEE BENEFITS**

Company's contributions paid / payable during the year to contribution plans like, Pension Fund, Provident Fund, Superannuation Fund and Employees' State Insurance Corporation are recognized in the profit and loss account.

Provision for gratuity (non-funded) and leave encashment (non-funded) both benefit plans are determined on an actuarial basis at the end of the year and charged to profit & loss account each year.

**(viii) EXCHANGE RATE DIFFERENCE**

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

All monetary items are reinstated at the exchange rate prevailing as at the date of Balance Sheet and the loss or gain is taken to the statement of profit & loss as exchange fluctuation.





## 2. GENERAL NOTES:

### 1. Exempted Services

Services provided by the company also includes auxiliary educational services provided to educational institutions which is exempted from service tax; vide notification No. 25/2012-ST, dated 20.06.2012.

### 2. Related party disclosures under AS-18 "Related Party Disclosures"

As per Accounting standard AS –18 "Related Party Disclosures" the Company's related parties and transactions with them are disclosed below:

#### NAME OF RELATED PARTY AND NATURE OF RELATED PARTY RELATIONSHIP

(a)	(b)	(c)	(d)	(e)
Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	Associates	Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual	Key Management Personnel	Enterprises over which any person described in (c) or (d) is able to exercise significant influence.
Shri Educare Maldives Pvt. Ltd. (Subsidiary) (SEMPL) KAMA Holdings Limited (Holding Company) (KHL) KAMA Realty (Delhi) Limited (Fellow Subsidiary) (KRDL) SRF Limited	Nil	<ul style="list-style-type: none"> <li>▪ Arun Bharat Ram</li> <li>▪ Ashish Bharat Ram</li> <li>▪ Kartikeya Bharat Ram</li> </ul>	Ekta Maheshwari , Whole Time Director	KARMAV Holdings Pvt. Ltd. (KHPL)



## (ii) Transactions during the year with related parties:

Sl.No	Nature of transaction	Amount in (₹)/lakhs with related parties referred to above					Total
		(a)	(b)	(c)	(d)	(e)	
(1)	Loan/ICD received:						
	Current year	2,004.00	Nil	Nil	Nil	10.00	2,014.00
	Previous year	1,323.50	Nil	Nil	Nil	483.00	1,806.50
(2)	Loan/ICD-refunded:						
	-By way of Cash						
	Current year	1764.00	Nil	Nil	Nil	10.00	1,774.00
	Previous year	565.00	Nil	Nil	Nil	758.00	1323.50
	-By way of Equity						
	Current year	175.00	Nil	Nil	Nil	Nil	175.00
	Previous year	320.00	Nil	Nil	Nil	Nil	320.00
(3)	Interest paid on ICD/Loan:						
	Current year	2.22	Nil	Nil	Nil	0.38	2.60
	Previous year	39.26	Nil	Nil	Nil	38.20	77.46
(4)	Investment during year:						
	Current year	478.88	Nil	Nil	Nil	Nil	478.88
	Previous year	439.48	Nil	Nil	Nil	Nil	439.48
(5)	Reimbursement (payment) of expenses:						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil	Nil	47.78	47.78
(6)	*Loan/ICD given:						
	Current year	227.00	Nil	Nil	Nil	Nil	227.00
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(7)	Interest receive on Loan:						
	Current year	6.68	Nil	Nil	Nil	Nil	6.68
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(8)	Year end balances ----- (receivables):						
	Current year	15.79	Nil	Nil	Nil	Nil	15.79
	Previous year	26.32	Nil	Nil	Nil	Nil	26.32
(9)	Remuneration paid during the year: -----						
	Current year	Nil	Nil	Nil	6.40	Nil	6.40
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(10)	Year end balances ----- (payables):						
	Current year	886.00	Nil	Nil	0.52	Nil	886.52
	Previous year	860.26	Nil	Nil	Nil	4.77	865.03

\*Loan to the related party was realized during the year along with the interest.

### 3. Employee Benefits

In accordance with Accounting Standard (AS) - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using Projected Unit Credit Method. The details of the same are as follows:-

Assumptions	Gratuity (Non-funded)		Earned leaves (Non-funded)	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Discount rate (per annum)	8.00%	8.50%	8.00%	8.5%
Future salary increase	7.00%	7.50%	7.00%	7.5%
In service mortality	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified



Assumptions	Gratuity (Non- funded)		Earned leaves (Non - funded)	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Retirement age	<b>58 years</b>	58 years	<b>58 years</b>	58 years
Withdrawal rates				
- up to 30 years	<b>3.00</b>	3.00	<b>3.00</b>	3.00
- up to 44 years	<b>2.00</b>	2.00	<b>2.00</b>	2.00
- above 44 years	<b>1.00</b>	1.00	<b>1.00</b>	1.00

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

### Reconciliation of opening and closing balances of Defined Benefit Obligations

	Gratuity (Non- funded)		Earned leaves (Non - funded)	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Present value of obligation as at the beginning of the year	<b>2,87,915</b>	1,81,782	<b>2,69,278</b>	1,71,417
Current service cost	<b>1,98,271</b>	1,36,961	<b>2,30,516</b>	1,67,383
Interest cost	<b>23,033</b>	15,451	<b>21,542</b>	14,570
Benefits paid	-	(85,500)	<b>(1,28,088)</b>	(82,040)
Actuarial loss/(gain)	<b>46,886</b>	39,221	<b>1,53,657</b>	(2,052)
<b>Present value of obligation as at the end of the year</b>	<b>5,21,445</b>	2,87,915	<b>5,46,905</b>	2,69,278
<b>Bifurcation of present value of obligation</b>				
<b>Current</b>	<b>38,923</b>	3,490	<b>61,389</b>	9,246
<b>Non-current</b>	<b>4,82,522</b>	2,84,425	<b>4,85,516</b>	260,032

### Expenses recognized in the profit and loss account

	Gratuity (Non- funded)		Earned leaves (Non - funded)	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Current service cost	<b>1,98,271</b>	1,36,961	<b>2,30,516</b>	1,67,383
Interest cost	<b>23,033</b>	15,451	<b>21,542</b>	14,570
Expected return on planned assets	-	-	-	-
Actuarial loss/(gain)	<b>46,886</b>	39,221	<b>1,53,657</b>	(2,052)
<b>*Total expense</b>	<b>2,68,190</b>	1,91,633	<b>4,05,715</b>	1,79,901

\*Payment contribution made by the company.

### Movement in the liability recognized in the balance sheet

	Gratuity (Non- funded)		Earned leaves (Non - funded)	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Opening net liability	<b>5,21,445</b>	2,87,915	<b>2,69,278</b>	1,71,417
Contribution as above	<b>2,87,915</b>	1,81,782	<b>4,05,715</b>	1,79,901
Benefit paid	<b>(34,660)</b>	(85,500)	<b>(1,28,088)</b>	(82,040)
Actual return on plan assets	-	-	-	-
<b>Closing net liability</b>	<b>2,68,190</b>	1,91,633	<b>5,46,905</b>	2,69,278

- \* The Company's best estimate of the contribution expected to be paid in the next year is Rs. 3,41,074/- for gratuity and Rs. 2,98,584/- for leave encashment.

#### Superannuation - Defined Contribution Plan

Apart from being covered under the Gratuity Plan described above, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. The Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.


#### Provident Fund - Defined Contribution Plan

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognized Provident fund trust. For other employees contributions are made to the regional Provident Fund Commissioners as per law. The Government mandates the annual yield to be provided to the employees on their corpus. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government.

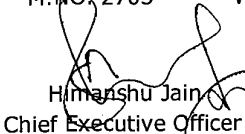
4. Shri Educare Limited has made an agreement with Government of Maldives to run a school jointly in Maldives. For this, Shri Educare Limited has incorporated wholly owned subsidiary in Maldives named 'Shri Educare Maldives Private Limited'.
5. Shri Educare Limited has also initiated the operations in management consultancies of various projects during the period ended 31st March 2013.
6. Remuneration paid to Whole time director for the Financial year 2012-2013 is Rs. 6,39,891/- (Salary including allowances is Rs. 6,19,123/- and Contribution to provident fund is Rs. 20768/-)
7. Previous year figures have been regrouped/rearranged, wherever necessary.

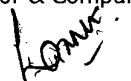
In terms of our report attached  
**For Thakur Vaidyanath Aiyar & Co.**  
Chartered Accountants  
Regd. No. 000038N


  
V. Rajaraman  
Partner  
M.M.O. 2705

  
Ekta Maheshwari  
Whole time Director & Company Secretary

  
Kartikeya Bharat Ram  
Director

  
Himanshu Jain  
Chief Executive Officer

  
Laxmi Singh  
Manager Finance

  
Viney Kumar Dua  
Director

Place : Delhi  
Date : 23/05/2013

