

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHRI EDUCARE LIMITED**

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

We have audited the accompanying standalone financial statements of SHRI EDUCARE LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2015, 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 Standalone 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 of these standalone 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are 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.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an



adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

### **Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profit 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**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the Company.

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 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, Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone 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 written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013
- f) The company has adequate internal financial control system in place and the operating effectiveness of such controls.



g) With respect to the other matters to be included in the Auditors 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 explanation given to us:-

- i. The company do not have any pending litigations hence no disclosure is required in this regard
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Thakur, Vaidyanath Aiyar & Co.  
Chartered Accountants  
FRN: 000038N

  
(V. Rajaraman)  
Partner  
M. No. : 02705

Place: New Delhi  
Date : 25.05.2015



**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report of even date to the matters of Shri Educare Limited ("the Company") on the Financial Statements for the year ended March 31, 2015**

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**I. Fixed Assets**

- (a) The company has maintained proper record showing full particulars including quantitative details and situation of its fixed assets.
- (b) The company has a regular program of verifying all the assets over a period of three years which in our opinion is reasonable having regard to the size of the company and the nature of the assets.

**II. Inventories**

Since the Company does not have inventory, clause (a),(b),(c) under reference of Companies (Auditors Report) Order 2015 are not applicable.

**III. Transactions with parties covered under section 189 of the Act**

The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.

In view of the above, para (a)&(b) of the clause under reference are not applicable.

**IV. Internal Control System**

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for earning of income on the enterprise resources. During the course of our audit, no major weakness has been noticed in the aforesaid internal control system.

**V. Deposits**

The Company has not accepted any deposits during the year or in earlier years which are covered under the directives issued by the Reserve Bank of India or under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable.



## **VI. Cost Records**

The requirements of maintenance of Cost Records under section 148(1) of the Companies Act, 2013 is not applicable to the company.

## **VII. Statutory Dues & Requirements**

- (a) According to the books and records examined by us and the information and explanation given to us, the company has been regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of Excise, value added tax, cess and other statutory dues with the appropriate authorities wherever applicable.

No amount is payable in respect of the statutory dues as mentioned above were outstanding as at March 31, 2015 for a period of more than six months from the date they become payable.

- (b) As per records of the company, information & explanation given, no amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Company Act, 1956 (1 of 1956) and rules made there under.

## **VIII) Accumulated Losses**

The accumulated losses of the Company is more than fifty percent of its Networth. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- IX)** The Company has not defaulted in repayment of dues to any financial institution, Banks or debenture holders during the financial year under audit.
- X)** According to the records of the company, information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year/ in earlier years.

## **XI) Applicability of Term Loan**

The term loan taken by the company for short term period have been applied for the purpose for which loans were taken.



**XII)** Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the year under audit.

For Thakur, Vaidyanath Aiyar & Co.  
Chartered Accountants  
FRN: 000038N



(V. Rajaraman)  
Partner  
M. No. : 02705

Place: New Delhi  
Date : 25.05.2015



**SHRI EDUCARE LIMITED**

C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110016

CIN : U80903DL2008PLC183146

**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	1	95,100,000	95,100,000
Reserves and surplus	2	(50,327,644)	(73,709,884)
		<u>44,772,356</u>	<u>21,390,116</u>
<b>Non-current liabilities</b>			
Long term liabilities	3	1,273,744	1,383,132
Long-term provisions	4	2,677,051	1,557,867
		<u>3,950,795</u>	<u>2,940,999</u>
<b>Current liabilities</b>			
Short-term borrowings	5	91,600,000	98,600,000
Other current liabilities	6	9,451,259	9,588,012
Short-term provisions	7	77,106	53,700
		<u>101,128,365</u>	<u>108,241,712</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>149,851,516</u></u>	<u><u>132,572,827</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	8		
Tangible assets		52,614,770	54,936,695
Intangible assets		5,408,390	3,883,283
Capital work-in-progress		1,606,365	-
Non-current investments	9	47,888,180	47,888,180
Deferred tax assets (net)		23,117,023	-
Long-term loans and advances	10	4,203,444	7,867,765
		<u>134,838,172</u>	<u>114,575,923</u>
<b>Current assets</b>			
Trade receivables	11	6,407,465	5,864,741
Cash and cash equivalents	12	2,396,357	8,286,685
Short-term loans and advances	13	6,196,522	3,832,478
Other current assets	14	13,000	13,000
		<u>15,013,344</u>	<u>17,996,904</u>
<b>TOTAL ASSETS</b>		<u><u>149,851,516</u></u>	<u><u>132,572,827</u></u>

**Note from 1 to 22 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  
 DIN No: 02071432

Kartik Bharat Ram  
 Director  
 DIN No: 00008557

Himanshu Jain  
 Chief Executive Officer

Laxmi Singh  
 Chief Manager Finance

Viney Kumar Dua  
 Director  
 DIN No: 01892182



Place: Delhi  
 Date: 25.05.2015

**SHRI EDUCARE LIMITED**

C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110016

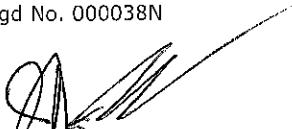
CIN : U80903DL2008PLC183146

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

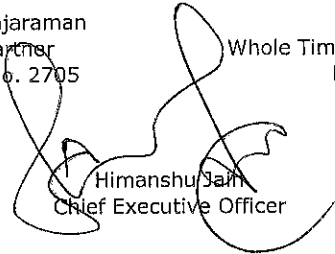
Particulars	Note No.	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
<b>REVENUE</b>			
Revenue from Operations	15	<u>66,838,200</u>	<u>55,993,244</u>
		<b>66,838,200</b>	<b>55,993,244</b>
Other Income	16	<u>583,752</u>	<u>452,226</u>
<b>TOTAL REVENUE</b>		<u><b>67,421,952</b></u>	<u><b>56,445,470</b></u>
<b>EXPENSES</b>			
Employee benefits expenses	17	<u>40,696,732</u>	<u>31,366,133</u>
Finance costs	18	<u>2,193,087</u>	<u>22,672</u>
Depreciation and amortization expenses	19	<u>6,374,626</u>	<u>2,842,513</u>
Other expenses	20	<u>17,644,985</u>	<u>16,197,028</u>
<b>TOTAL EXPENSES</b>		<u><b>66,909,430</b></u>	<u><b>50,428,346</b></u>
<b>Profit before tax</b>		<b>512,522</b>	<b>6,017,124</b>
<b>Tax expense</b>			
Minimum Alternate Tax (MAT) - Previous Year 2013-2014	22	<u>247,305</u>	<u>-</u>
Deferred tax charge/(Savings)	22	<u>(23,117,023)</u>	<u>-</u>
<b>Total Tax Expenses</b>		<u><b>(22,869,718)</b></u>	<u><b>-</b></u>
<b>Profit/(Loss) transfer to surplus</b>		<u><b>23,382,240</b></u>	<u><b>6,017,124</b></u>
<b>Earnings per share</b>			
Basic (Rs.)	21	<b>2.46</b>	<b>0.63</b>

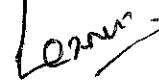
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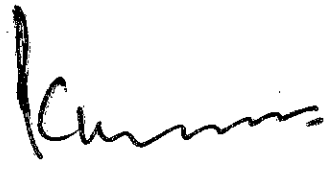
In terms of our report attached  
**For Thakur Vaidyanath Aiyar & Co.**  
 Chartered Accountants  
 Regd No. 000038N


  
 W. Rajaraman  
 Partner  
 M. No. 2705

  
 Ekta Maheshwari  
 Whole Time Director & Company Secretary  
 Din No: 02071432

  
 Himanshu Jain  
 Chief Executive Officer

  
 Laxmi Singh  
 Chief Manager Finance

  
 Kartik Bharat Ram  
 Director  
 DIN No: 00008557

  
 Viney Kumar Dua  
 Director  
 Din No: 01892182

Place: Delhi

Date: 25.05.2015





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

C-8 COMMERCIAL COMPLEX, SAFDARJUNG DEVELOPMENT AREA, NEW DELHI - 110016

CIN : U80903DL2008PLC183146

**For the Year**  
**2014 - 2015 (₹)****For the Year**  
**2013 - 2014 (₹)****A) CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit/(Loss) before Taxation and Extra-ordinary Items.	512,522	6,017,123
<b>Adjustment for:</b>		
Interest & Finance Charges	2,193,087	22,672
Interest received on Loans and deposits	(287,597)	(55,688)
Profit on sale of Fixed assets	-	(8,000)
Depreciation	6,374,626	2,842,513
Minimum Alternate Tax adjusted	(247,305)	-
Deferred Tax Savings (Net)	23,117,023	-
Exchange Difference (Net)	102,470	3,652
	<u>31,252,304</u>	<u>2,805,149</u>
Operating profit before working capital changes	31,764,826	8,822,272
<b>Adjustment for:</b>		
Trade & Other receivables excluding Income Tax	609,072	(10,107,491)
Deferred Tax Assets - Current adjustments	(23,117,023)	-
Trade payables & provisions	896,449	1,673,780
	<u>(21,611,502)</u>	<u>(8,433,711)</u>
Cash generated from operations	10,153,324	388,561
Exchange Rate Difference set off	(102,470)	(3,652)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<u><b>10,050,854</b></u>	<u><b>384,909</b></u>

**B) CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of fixed assets	(5,300,686)	(3,066,290)
Advances paid for purchase of fixed assets	(128,641)	(277,123)
Capital work in progress.	(1,606,365)	-
Proceed of fixed assets	-	8,000
Cost of Investments	-	-
Preliminary Expenses Written Off	-	-
Interest Income (Loan to Employees)	40,168	44,046
Interest Income (Others)	247,429	11,642
Interest Income (Loan to related party)	-	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<u><b>(6,748,095)</b></u>	<u><b>(3,279,725)</b></u>

**C) CASH FLOW FROM FINANCING ACTIVITIES :**

Proceeds from Short Tem term borrowing (Net)	-	10,000,000
Repayment of Short Term borrowing	(7,000,000)	-
Interest & Finance charges paid	(2,193,087)	(22,672)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<u><b>(9,193,087)</b></u>	<u><b>9,977,328</b></u>

<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<u><b>(5,890,328)</b></u>	<u><b>7,082,512</b></u>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<u><b>8,286,685</b></u>	<u><b>1,204,173</b></u>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<u><b>2,396,357</b></u>	<u><b>8,286,685</b></u>

For THAKUR, VAIDYANATH AIYAR & CO.  
Chartered Accountants  
Regd. No. 000038N(V. RAJARAMAN)  
Partner  
M No.2705(Viney Kumar Dua)  
Director  
DIN No: 01892182(Kartik Bharat Ram)  
Director  
DIN No: 00008557(Ekta Maheshwari)  
Whole Time Director & Company Secretary  
DIN No: 02071432Place : Delhi  
Date : 25/05/2015(Nimanshu Jain)  
Chief Executive Officer(Laxmi Singh)  
Chief Manager Finance

## SHRI EDUCARE LIMITED

### 1. Share Capital

#### a) Details of share capital

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
<b>AUTHORISED</b> 10,000,000 (Previous Year - 10,000,000) 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 - 9,510,000) Equity Shares of Rs. 10 each fully paid up The entire share capital is held by the Holding Company (KAMA Holdings Limited) and its nominees	<b>95,100,000</b>	95,100,000
	<b>95,100,000</b>	95,100,000

\*There were no changes in the Issued, Subscribed & Paid up Capital in the company



## SHRI EDUCARE LIMITED

### 2. Reserves and Surplus

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Surplus	<u>(50,327,644)</u>	<u>(73,709,884)</u>
<b>Total Reserves and Surplus</b>	<b><u>(50,327,644)</u></b>	<b><u>(73,709,884)</u></b>

<b>Movement in Surplus</b>	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Loss as at the beginning of the year	(73,709,884)	(79,727,008)
Profit/(Loss) transferred from the Statement of Profit & Loss	23,382,240	6,017,124
<b>Loss as at the end of the year</b>	<b><u>(50,327,644)</u></b>	<b><u>(73,709,884)</u></b>



## SHRI EDUCARE LIMITED

### 3. Long term liabilities

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
For purchase of Capital Assets	1,273,744	1,383,132
	<u>1,273,744</u>	<u>1,383,132</u>



## SHRI EDUCARE LIMITED

### 4. Long term provisions

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Provision for Employee benefits		
-For Gratuity (non-funded)	<b>1,490,590</b>	835,428
-For Leave Encashment (non-funded)	<b>1,186,461</b>	722,439
	<b><u>2,677,051</u></b>	<u>1,557,867</u>



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

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
<b>SHORT TERM BORROWINGS</b>		
<b>Unsecured</b>		
Loans repayable on demand		
-From Related Parties	91,600,000	94,100,000
-From Bank (Short term)	-	4,500,000
<b>Total short term borrowings</b>	<b>91,600,000</b>	<b>98,600,000</b>

**Detail of Related Parties**

Name of the Party	Nature of Borrowing	Nature of relation	Amount	
			As at 31-Mar-15	As at 31-MAR-14
KAMA HOLDINGS LIMITED	Unsecured	Holding Company	-	89,100,000
KAMA RELATY (DELHI) LTD.	Unsecured	Fellow Subsidiary	91,600,000	-
KARMAV HOLDINGS PVT. LTD.	Unsecured	Fellow Subsidiary	-	5,000,000



## SHRI EDUCARE LIMITED

### 6. Other Current liabilities

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Interest accrued and due on borrowings	-	8,137
Statutory dues	649,709	784,811
Employees Contribution Payable	103,628	163,107
Security deposits from		
-Students	1,800,800	1,536,500
-Others	972,167	972,167
Income received in advance		
-Fee from students	2,327,024	1,605,402
-Others	2,990,497	3,089,030
Other payables		
-Due for Expenses Incurred	558,480	1,030,332
-Accrued salaries and benefits	48,954	398,526
<b>Total Other Current Liabilities</b>	<b>9,451,259</b>	<b>9,588,012</b>



## SHRI EDUCARE LIMITED

### 7. Short term provisions

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Provision for Employee Benefits		
-For Gratuity (non-funded)	24,369	14,164
-For Leave Encashment (non-funded)	52,737	39,536
	<u>77,106</u>	<u>53,700</u>





**SHRI EDUCARE LIMITED**

**8 : FIXED ASSETS**

Description	Gross Block			Depreciation			Net Block	
	As at April 1, 2014	Additions	Deductions / Transfers	As at March 31, 2015	Upto March 31, 2014	For the year * / Transfers	Upto March 31, 2015	As at March 31, 2014
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>a) Tangible assets</b>								
Land	16,515,370	-	-	16,515,370	351,390	175,695	527,085	16,163,980
- Leasehold Building	24,592,621	89,888	-	24,682,509	692,993	804,549	1,497,542	23,899,628
Books	104,077	-	-	104,077	104,077	-	104,077	-
Furniture and fixtures	3,302,916	562,560	-	3,865,476	770,786	462,641	1,233,427	2,532,130
Office Equipment	10,233,705	395,473	-	10,629,178	978,984	2,906,209	3,885,193	9,254,721
Data Processing	1,720,724	408,488	-	2,129,212	1,399,258	288,608	1,687,866	321,466
Vehicles	3,681,884	1,903,172	-	5,585,056	917,114	1,043,804	1,960,918	2,764,770
<b>Tangible assets Total</b>	<b>60,151,297</b>	<b>3,359,581</b>	-	<b>63,510,878</b>	<b>5,214,602</b>	<b>5,681,506</b>	<b>10,896,108</b>	<b>54,936,695</b>
Previous year	57,841,849	2,349,488	40,040	60,151,297	3,001,274	2,253,368	5,214,602	54,936,695
<b>b) Intangible Assets</b>								
Trade Marks & Copyrights	5,973,442	961,629	-	6,935,071	2,116,274	656,967	2,773,241	3,857,168
Software	216,989	1,256,598	-	1,473,587	190,874	36,153	227,027	26,115
<b>Intangible assets Total</b>	<b>6,190,431</b>	<b>2,218,227</b>	-	<b>8,408,658</b>	<b>2,307,148</b>	<b>693,120</b>	<b>3,000,268</b>	<b>3,883,283</b>
Previous year	5,384,757	805,674	-	6,190,431	1,718,003	589,145	2,307,148	3,883,283
<b>Grand Total</b>	<b>66,341,728</b>	<b>5,577,808</b>	-	<b>71,919,536</b>	<b>7,521,750</b>	<b>6,374,626</b>	<b>13,896,376</b>	<b>58,023,160</b>
Previous year	63,226,606	3,155,162	40,040	66,341,728	4,719,277	2,842,513	7,521,750	58,819,978
								<b>58,023,160</b>
								<b>58,819,978</b>

Note : As per lease agreement for lease hold property ( Land), lease is valid for a period of 95 (ninety five) years from the Commencement Date (19th October, 2011) and accordingly depreciation is provided on the basis of lease period.



## 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-15 (₹)	As at 31-Mar-14 (₹)
<b>Other than trade investments</b>		
<b>Investments in Equity Shares of Shri Educare Maldives Pvt. Ltd. (a wholly owned Subsidiary) – unquoted</b>	<b>47,888,180</b>	<b>47,888,180</b>
<b>Total long term investments</b>	<b>47,888,180</b>	<b>47,888,180</b>

Aggregate amount of long term unquoted investments

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		MVR	INR *	Cost	
			31-Mar-15 (₹)	31-Mar-14 (₹)			31-Mar-15 (₹)	31-Mar-14 (₹)
<b>Wholly owned subsidiary</b> Shri Educare Maldives Pvt. Ltd.	Equity Share (Unquoted)	13,794,805	1.00	3.4715			<b>47,888,180</b>	47,888,180

\* Represents the Exchange rate arrived by dividing the number of shares over the amount



## SHRI EDUCARE LIMITED

### 10. Long term loans and advances

Unsecured considered good, unless otherwise stated

	<b>As at 31-Mar-15 (₹)</b>	<b>As at 31-Mar-14 (₹)</b>
Due from Subsidiary		
Unsecured - considered good	<b>3,778,553</b>	7,336,207
Capital advances	<b>128,641</b>	277,123
Loans to employees	<b>296,250</b>	254,435
<b>Total long term loans and advances</b>	<b>4,203,444</b>	<b>7,867,765</b>



## SHRI EDUCARE LIMITED

### \* 11. Trade receivables

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Past due for a period within six months		
Unsecured – considered good	3,868,840	5,864,741
Past due for a period exceeding six months	-	-
Unsecured – considered good	2,538,625	-
<b>Total trade receivables</b>	<b>6,407,465</b>	<b>5,864,741</b>

\* Represents receivables in respect of consultancy services rendered



## SHRI EDUCARE LIMITED

### 12. Cash and cash equivalents

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Balance with banks in Fixed deposit account - Short term for 91 days	-	5,000,000
Balance with banks in Current accounts	2,309,590	3,124,513
Cash in hand	86,767	114,071
Cheques/Draft on Hand	-	48,101
<b>Total cash and bank balances</b>	<b>2,396,357</b>	<b>8,286,685</b>

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

- Maldivian Rufiyaa Nil in current year and 495 @ 3.82819 in Previous year
- United Arab Emirates Dirham Nil in current year and 17 @ 16.2651 in Previous Year
- United State of America Dollar 288 @ 62.53 in current year and 290 @ 59.7580 in Previous year



## SHRI EDUCARE LIMITED

### 13. Short-term loans and advances (Unsecured considered good, unless otherwise stated)

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Loans to employees	129,333	151,102
Prepaid Expenses	278,260	75,456
* Tax Deducted At Source	4,441,153	3,300,183
Refund due for Minimum Alternate Tax Paid	899,258	-
Advances	224,231	115,750
Security Deposits - Others	133,000	165,900
CENVAT/Service tax/VAT recoverable	91,287	24,087
<b>Total short-term loans and advances</b>	<b>6,196,522</b>	<b>3,832,478</b>

\* In respect of deductions amounting to Rs.4,82,043 ,they do not appear in form 26AS

\*\* Include Rs. 19,695,955.16 as Withholding Tax, deducted by the State of Maldives



## SHRI EDUCARE LIMITED

### 14. Other current assets

	As at 31-Mar-15 (Rs.)	As at 31-Mar-14 (Rs.)
* Receivable from Others	13000	13000
<b>Total other current assets</b>	<b>13,000</b>	<b>13,000</b>

\* See Note No. 22.2(ii)



## SHRI EDUCARE LIMITED

### 15. Revenue from operation

	Year ended 31-Mar-15 (₹)	Year ended 31-Mar-14 (₹)
Licence Fees	1,094,137	1,227,397
Project Management Fees	37,478,605	29,089,291
Annual Maintenance Fees	1,988,414	1,076,760
Students Fees	26,277,044	24,599,796
<b>Total Revenue from operations</b>	<b>66,838,200</b>	<b>55,993,244</b>





## SHRI EDUCARE LIMITED

### 16. Other income

	Year ended 31-Mar-15 (₹)	Year ended 31-Mar-14 (₹)
Sale of Form	109,500	98,500
Interest income		
▪ on loans to Employees	40,168	44,046
▪ on fixed deposit	100,137	5,822
▪ on Income Tax	150,492	5,820
Liability no longer required	-	163,670
Profit on Sale of Fixed Assets	-	8,000
Non-operating income	183,455	126,368
<b>Total other income</b>	<b>583,752</b>	<b>452,226</b>



## SHRI EDUCARE LIMITED

### 17. Employee benefits expenses

	Year ended 31-Mar-15 (₹)	Year ended 31-Mar-14 (₹)
* Salaries and wages	36,395,927	28,383,050
* Contribution to provident and other funds	2,453,438	1,784,442
Staff welfare expenses	1,847,367	1,198,641
<b>Total employee benefits expenses</b>	<b>40,696,732</b>	<b>31,366,133</b>

\* See Note No. 22.2(vi)



## SHRI EDUCARE LIMITED

### 18. Finance Costs

	Year ended 31-Mar-15 (₹)	Year ended 31-Mar-14 (₹)
Interest expenses		
▪ On short term borrowing from Bank	83,016	3,686
* ▪ On Short term loan & borrowing from others	2,110,071	18,986
<b>Total financial costs</b>	<b>2,193,087</b>	<b>22,672</b>

\* Paid to related party, See note no. 22.2(ii) .



## SHRI EDUCARE LIMITED

### 19. Depreciation and amortization expenses

	Year ended 31-Mar-15 (₹)	Year ended 31-Mar-14 (₹)
Depreciation on tangible assets	5,681,506	2,253,368
Amortization on intangible assets	693,120	589,145
<b>Total Depreciation and amortization expenses</b>	<b>6,374,626</b>	<b>2,842,513</b>



## SHRI EDUCARE LIMITED

### 20. Other expenses

	Year ended 31-Mar-15 (₹)	Year ended 31-Mar-14 (₹)
Rent	1,313,450	1,178,606
Repair & maintenance		
- On Building	308,106	108,627
- Other than building	1,049,055	901,865
Subscription Expenses	10,608	46,497
Software Expenses	219,983	41,373
Promotional Expenses	1,922,932	1,618,395
* Professional Expenses	5,323,669	5,473,464
** Audit fees	84,270	106,742
Rates & taxes	301,845	277,147
Telephone & communication	517,308	427,341
Traveling and Conveyance Expenses	2,140,545	1,168,678
Insurance Expenses - Vehicle	16,532	11,209
Exchange Rate Difference (Net)	102,470	3,652
Meeting Expenses	172,606	1,750
Transportation expenses (Net off Transport Charges)	242,133	518,268
Office expenses	488,965	376,036
Security Expenses	653,848	695,548
Filing Fees	10,052	6,277
Recruitment Expenses	203,545	554,496
Water and electricity	1,193,433	1,141,205
Postage and Courier	71,023	46,489
Printing and stationery	669,669	601,306
Education Aids	177,824	120,678
Festival & Celebrations	16,369	47,943
Bank Charges	29,177	6,103
Workshop and Training - Others	77,424	15,730
Curriculum Development Expenses	-	655,745
Bad Debts	250,000	-
Miscellaneous expenses	78,144	45,858
<b>Total other expenses</b>	<b>17,644,985</b>	<b>16,197,028</b>

\* Include Rs. 39326/- for Tax matter

	Current Year 31-Mar-15 (₹)	Previous Year 31-Mar-14 (₹)
<b>** Audit Fee Details</b>		
Statutory Audit Fees	84,270	84,270
Tax Matter	-	22,472
<b>Total Audit fees</b>	<b>84,270</b>	<b>106,742</b>



## SHRI EDUCARE LIMITED

### 21. EPS

	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Weighted Average Number of Shares*	9,510,000	9,510,000
Earnings available for Equity	23,382,240	6,017,124
Earning Per Share (EPS)	2.46	0.63

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



**NOTE NO. 22****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, 2013.

**(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 on useful life specified in Schedule II of the Companies Act, 2013 or at rates arrived at on the basis of the balance useful lives of the assets based on technical evaluation 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%

This useful life being lower than the life specified in Schedule II of Companies Act 2013. This lower useful life is based on the opinion of independent valuers.

- b. On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale / discard.
- c. 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.

**(ix) PROVISION FOR TAXATION**

Provision for income tax including Minimum Alternate Tax and Deferred tax liability provided as per AS-22 and Income Tax Act, 1961.





## 2. GENERAL NOTES:

### (i) Exempted Services

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

### (ii) 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) (SEMP)  KAMA Holdings Limited (Holding Company) (KHL)  KAMA Realty (Delhi) Limited (Fellow Subsidiary) (KRDL)  SRF Limited (Fellow Subsidiary)	Nil	<ul style="list-style-type: none"> <li>▪ Arun Bharat Ram</li> <li>▪ Ashish Bharat Ram</li> <li>▪ Kartikoya Bharat Ram</li> </ul>	Ekta Maheshwari , Whole Time Director	KARMAV Holdings Pvt. Ltd. (KHPL)



## 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	916.00	Nil	Nil	Nil	125.00	1,041.00
	Previous year	15.00	Nil	Nil	Nil	50.00	65.00
(2)	Loan/ICD-refunded:						
	-By way of Cash						
	Current year	891.00	Nil	Nil	Nil	175.00	1066.00
	Previous year	10.00	Nil	Nil	Nil	Nil	10.00
	-By way of Equity						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(3)	Interest paid on ICD/Loan:						
	Current year	12.53	Nil	Nil	Nil	8.57	21.10
	Previous year	0.10	Nil	Nil	Nil	0.09	0.19
(4)	Investment during year:						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(5)	Reimbursement (payment) of expenses:						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	15.79	Nil	Nil	Nil	Nil	15.79
(6)	*Loan/ICD given:						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(7)	Interest receive on Loan:						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(8)	Management Fees Receivable:						
	Current year	108.76	Nil	Nil	Nil	Nil	108.76
	Previous year	97.06	Nil	Nil	Nil	Nil	97.06
(9)	Management Fees Received:						
	Current year	144.34	Nil	Nil	Nil	Nil	144.34
	Previous year	23.70	Nil	Nil	Nil	Nil	23.70
(10)	Year end balances ----- (receivables):						
	Current year	37.92	Nil	Nil	Nil	Nil	37.92
	Previous year	73.49	Nil	Nil	Nil	Nil	73.49
(11)	Remuneration paid during the year: -----						
	Current year	Nil	Nil	Nil	8.21	Nil	8.21
	Previous year	Nil	Nil	Nil	6.68	Nil	6.68
(12)	Year end balances ----- (payables):						
	Current year	916.00	Nil	Nil	Nil	Nil	916.00
	Previous year	891.06	Nil	Nil	Nil	50.09	941.09

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



### (iii) 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 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
Discount rate (per annum)	<b>8.00%</b>	8.50%	<b>8.00%</b>	8.50%
Future salary increase	<b>7.00%</b>	7.00%	<b>7.00%</b>	7.00%
In service mortality	<b>LIC (1994-96) duly modified</b>	LIC (1994-96) duly modified	<b>LIC (1994-96) duly modified</b>	LIC (1994-96) duly modified
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 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
Present value of obligation as at the beginning of the year	<b>8,49,592</b>	5,21,445	<b>7,61,975</b>	5,46,905
Current service cost	<b>3,49,934</b>	2,56,294	<b>3,29,639</b>	2,55,506
Interest cost	<b>72,215</b>	41,716	<b>64,768</b>	43,752
Benefits paid	-	-	<b>(24,716)</b>	(16,734)
Actuarial loss/(gain)	<b>2,43,218</b>	30,137	<b>1,07,532</b>	(67,454)
<b>Present value of obligation as at the end of the year</b>	<b>15,14,959</b>	8,49,592	<b>12,39,198</b>	7,61,975
<b>Bifurcation of present value of obligation</b>				
<b>Current</b>	<b>24,369</b>	14,164	<b>52,737</b>	39,536
<b>Non-current</b>	<b>14,90,590</b>	8,35,428	<b>11,86,461</b>	7,22,439



## Expenses recognized in the profit and loss account

	Gratuity (Non- funded)		Earned leaves (Non - funded)	
	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
Current service cost	3,49,934	2,56,294	3,29,639	2,55,506
Interest cost	72,215	41,716	64,768	43,752
Expected return on planned assets	-	-	-	-
Actuarial loss/(gain)	2,43,218	30,137	1,07,532	(67,454)
*Total expense	6,65,367	3,28,147	5,01,939	2,31,804

\*Payment contribution made by the company.

## Movement in the liability recognized in the balance sheet

	Gratuity (Non- funded)		Earned leaves (Non - funded)	
	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
Opening net liability	8,49,592	5,21,445	7,61,975	5,46,905
Contribution as above	6,65,367	3,28,147	5,01,939	2,31,804
Benefit paid	-	-	(24,716)	(16,734)
Actual return on plan assets	-	-	-	-
Closing net liability	15,14,959	8,49,592	12,39,198	7,61,975

\* The Company's best estimate of the contribution expected to be paid in the next year is Rs. 6,19,469/- for gratuity and Rs. 4,42,946/- 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.



(iv) 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'.

(v) Shri Educare Limited has also initiated the operations in management consultancies of various projects during the period ended 31st March 2015.

(vi) Remuneration paid to Whole time director:

S. No.	Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
a)	Salary including other allowances	7,92,322	6,44,093
b)	Provident Fund	28,224	24,168
<b>Total</b>		<b>8,20,546</b>	<b>6,68,261</b>

Since the policy for Gratuity is global, separate amount for the Whole time Director is not ascertainable.

(vii) There is no liability under Minimum Alternate Tax for the F.Y. 2014-2015 (Previous Year Rs. 247305/-).

(viii) Deferred Tax liability (pending the period covered by Minimum Alternate Tax) is provided as per Accounting Standard 22.

(ix) The Company is having only one segment i.e. Education.

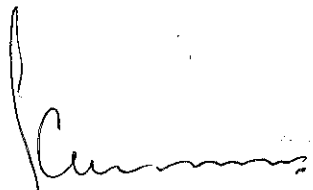
(x) Previous year figures have been regrouped/rearranged, wherever necessary.

In terms of our report attached  
For **Thakur Vaidyanath Aiyar & Co.**

Chartered Accountants  
Regd. No. 000038N

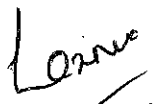
  
V. Rajaraman  
Partner  
M.No. 2705

  
Ekta Maheshwari  
Whole time Director & Company Secretary  
DIN No: 02071432

  
Kartik Bharat Ram  
Director  
DIN No: 00008557

Place : Delhi  
Date: 25.05.2015

  
Himanshu Jain  
Chief Executive Officer

  
Laxmi Singh  
Chief Manager Finance

  
Viney Kumar Dua  
Director  
DIN No: 01892182

