

SHANTI EDUCATIONAL INITIATIVES LIMITED

Regd. Office: 283, New Cloth Market, Ahmedabad – 380 002

NOTICE

Notice is hereby given the 24th Annual General Meeting of the members of the Company will be held on Saturday, the 29th day of September, 2012 at 12.30 P.M. at the Registered Office of the Company situated at 283, New Cloth Market, Ahmedabad – 380 002 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at and Profit and Loss Account for the year ended on 31st March, 2012 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Jaiprakash D. Chiripal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the statutory auditors and to fix their remuneration.

Registered Office:
283, New Cloth Markets
Ahmedabad – 380002

Date: 28-09-2012

By the Order of the Board of Directors



JAIPRAKASH D CHIRIPAL
CHAIRMAN

NOTES:

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument of proxy in order to be valid must be deposited at the registered office of the company not later than forty eight hours before the commencement of the meeting.

SHANTI EDUCATIONAL INITIATIVES LIMITED

Regd. Office: 283, New Cloth Market, Ahmedabad – 380 002

DIRECTORS' REPORT

To,
The Members
SHANTI EDUCATIONAL INITIATIVES LTD.
AHMEDABAD

Your Directors take pleasure in presenting their report on the business and operations of your Company for the year ended on 31st March, 2012.

FINANCIAL REVIEW:-

FINANCIAL RESULTS	Current Year ended on 31 st March, 2012 Amount (Rs. in Thousands)	Previous Year ended on 31 st March, 2011 Amount (Rs. in Thousands)
Income	119505.76	104088.91
Expense	117735.02	102855.01
Profit before depreciation	1770.74	123390
Less – depreciation	1108.20	610.56
Profit after depreciation	662.54	623.34
Less - Current Tax	750.00	125.00
Less – Deferred Tax	(83.55)	0.53
Add – Provision for I. Tax written back	(7.31)	0.00
Add – Deferred Tax of Earlier Year Written Back	0.00	0.00
Add – Deferred Tax Assets for Earlier Year	0.00	0.00
Less – Income Tax for Earlier Year	0.00	0.00
Profit after taxation	3.40	393.45
Depreciation of earlier years	1623.16	0.00
Balance of profit / (loss) brought forward	0.00	0.00
Balance Carried To Balance Sheet	(1619.76)	393.45

PERFORMANCE:-

The total income for the year 2011-12 is Rs. 11.95 crores compared to last years income of Rs. 10.41 crores. The Company incurred a Net Loss of Rs. 0.16 crores as compared to last years Net Profit of Rs. 0.04 crores. The Company expects to perform better in future.

DIVIDEND:-

Your Directors have not recommended any dividend during the year under review.

FIXED DEPOSIT:-

The Company has not accepted any deposits as defined under Section 58A of the Companies Act, 1956 during the period under review.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO: -

The Statement of particulars with respect to Conservation of Energy, Technology, Absorption, Foreign Exchange Earning and out go pursuant to provision of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

SHANTI EDUCATIONAL INITIATIVES LIMITED

Regd. Office: 283, New Cloth Market, Ahmedabad – 380 002

AUDITORS:-

Ms/ C. N. Somani & Associates, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company retires at the end of the ensuing Annual General Meeting of the Company. The Board recommends the reappointment of the retiring statutory auditors for the current year 2011-12, who has shown their willingness and in respect of whom company has received a certificate under Section 224(IB) of the Companies Act, 1956.

AUDITORS' REPORT:-

The notes on accounts described in Auditors' Report are self explanatory and do not call for any explanation.

DIRECTORS:-

Shri. Jaiprakash D. Chiripal retires by rotation and being offers himself for reappointment. Your directors recommend his re-appointment at the ensuing Annual General Meeting of the Company

SECRETARIAL COMPLIANCE CERTIFICATE:-

In accordance with the provisions of Section 383A of the Companies Act, 1956 a Secretarial Compliance Certificate from M/s. Geeta Serwani & Associates, Company Secretaries, Ahmedabad for the year ended on 31st March, 2012 is attached.

PARTICULARS OF EMPLOYEES:-

The Company does not have any employee in the category as specified under Section 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:-

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your directors hereby confirm that:

- (a) In preparation of the Annual Accounts, the applicable accounting standards have been followed. Necessary explanations are given for material departures, if any;
- (b) Sound accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the profit of the Company for the year ended on that date;
- (c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- (d) The Annual Accounts for the year ended on 31st March, 2012 are prepared on going concern basis.

SHANTI EDUCATIONAL INITIATIVES LIMITED

Regd. Office: 283, New Cloth Market, Ahmedabad – 380 002

ACKNOWLEDGEMENT:-

Your Directors places on records their deep sense of appreciations for the contributions made by the employees at all levels for their dedicated services enabling the Company to achieve a satisfactory performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and continued support extended by the Company's Bankers, and other business associates.

Place: Ahmedabad
Date: 28-09-2012

FOR AND ON BEHALF OF THE BOARD



JAIPRAKASH D CHIRIPAL
CHAIRMAN



AUDITORS' REPORT

To
The Members
SHANTI EDUCATIONAL INTIATIVES LIMITED
AHMEDABAD

1. We have audited the attached Balance Sheet of **SHANTI EDUCATIONAL INTIATIVES LIMITED** as at 31st March 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's report) Order, 2003 as amended by the Companies (Auditor's report) (Amendments) Order, 2004 (hereinafter referred to as 'the Order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks, as we considered appropriate, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - i. 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.



- ii. 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;
- iii. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with this Report comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date.

For, J. R. PUROHIT & CO.
Chartered Accountants
Firm Regn No: 111841W



Vikas Purohit

Place : Ahmedabad
Date : 28-09-2012

VIKAS PUROHIT
Partner
Mem.No:131959

ANNEXURE TO THE AUDITOR'S REPORT

**RE: SHANTI EDUCATIONAL INITIATIVES LIMITED
AHMEDABAD
Gujarat.**

Referred to in paragraph 3 of our report of even date.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any part of the Fixed Assets.
- (ii)(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of the company, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has granted Interest free unsecured loan to three parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was **Rs 108,585.05 thousands** and the year-end balance of loan granted was **Rs. 93,292.55 thousands**.
- (b) In our opinion and according to the information and explanation given to us, the loan have been granted at NIL rate of interest and other terms and conditions on which loans have been granted from parties listed in the register maintained under section 301 of the companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (c) The companies and party have repaid principal amounts as stipulated and have been regular in the payment of principle amount.



- (d) There is no overdue amount of loans granted to the Companies and party listed in the register maintained u/s. 301 of the Companies Act, 1956.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly paragraph 4(iii) (f) and (g) of the order are not applicable to the company.
- (iv) 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 with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (v)(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public covered Under Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company law board or National Company Law tribunal Or Reserve Bank of India or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.



- (viii) The central Government has not prescribed maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of manufacturing activities of the company. Hence the provision of this clause is not applicable to the company.
- (ix) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Further according to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax , Wealth-tax, service tax , Sales Tax, customs duty and excise duty were outstanding, as at 31st March,2012 for a period of more than six months from the date they become payable.
- (b) According to the records of the company, there are no dues of sales tax income-tax, custom duty, wealth tax, service tax, excise duty/cess, which have not been deposited on account of any dispute.
- (x) The company does not have any accumulated losses. The company has not incurred any cash loss during the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the banks.
- (xii) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund or nidhi, mutual benefit fund/society.
- (xiv) According to the information and explanation given to us, we are of the opinion that the company has maintained proper records in respect of trading transactions and contract of shares, securities, debentures and other investments and timely entries have been made therein. Further, the investments and stock in trade have been held by the company, in its own name.
- (xv) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loans have been applied for the purpose for which they were raised.



(xvi) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no significant funds raised on short-term basis have been used for long-term investment by the company.

(xvii) The company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s.301 of the Act.

(xix) During the period covered by our audit report, the company has not issued any debentures.

(xx) The company has not raised any money out of public issue during the year.

(xxi) We report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For, J. R. PUROHIT & CO.
Chartered Accountants
Firm Regn No: 111841W



J. R. Purohit

Place : Ahmedabad
Date : 28-09-2012

VIKAS PUROHIT
Partner
Mem.No:131959

SHANTI EDUCATIONAL INITIATIVES LIMITED

Note 1 SIGNIFICANT ACCOUNTING POLICIES:

Basis of Preparation:

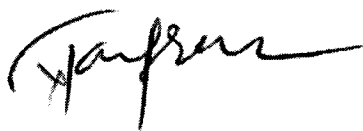
The financial Statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed in the Companies [Accounting Standards] Rules, 2006 issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 1956.

Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Presentation and disclosures in financial statements:

For the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, is applicable to the Company, for presentation and disclosures in financial statements. The Company has reclassified the previous year's figures in accordance with the revised Schedule VI as applicable in the current year.



Inventories:

Inventories are valued after providing for obsolesce, as under:

- Inventories are stated at Cost or Net realizable value whichever is lower after considering credit of VAT.
- In determining cost of Raw Materials and Finished Goods, Weighted Average Method is used.

Depreciation:

Depreciation on Fixed Assets (other than building and intangible assets) has been provided on Written Down Value Method as per the rates specified in Schedule XIV to the Companies Act, 1956 as amended from time to time.

Building has been depreciated on Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956

Intangible Asset has been amortized over its usefull life.

Depreciation for additions / deletion from assets is calculated pro-rata from the day of additions / deletion.

Fixed Assets costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

Revenue Recognition:

- Sales of Franchisee Material/Traded Material are recognized net of returns and discounts, if any; when significant risks and rewards of ownership of products is passed on to customers.
- Revenue from Franchisee constituting one time Franchisee fee (non - refundable) is recognised upon receipt of fee from the Franchisee. The recurring revenue from Franchisee is recognised on accrual basis.



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- Revenue from Dividend income is recorded when right to receive the income arises.

Fixed Assets:

Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

Effects of changes in Foreign Exchange Rates:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount at the exchange rate between the reporting currency and foreign currency at the date of the transactions.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting a company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Monetary assets & liabilities denominated in foreign currency remaining unsettled at the year end are translated at the closing rates.

Investments:



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Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any as at the Balance sheet date.

Employee Benefits:

- **Short Term Benefits:**

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

- **Long Term Benefits:**

Contributions are made to provident fund in accordance with the provisions of the Provident Fund Act and charged to profit and loss account at actual.

Borrowing Cost:

Borrowing cost includes interest incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

Earning per Share:

Basic and diluted earnings per share are computed by dividing the net profit/ loss after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year



Signature

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Signature

Accounting for Taxes on Income:

A) Current Tax

The current charge for income taxes is calculated in accordance with the relevant income tax regulations applicable to the company.

B) Deferred Tax

Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.



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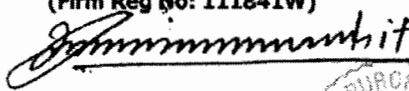
SHANTI EDUCATIONAL INITIATIVES LIMITED

BALANCE SHEET AS AT 31st MARCH 2012

(₹ in Thousands)			
	Notes	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	82,000.00	8,584.00
Reserves and Surplus	3	79,409.11	81,028.86
		<u>161,409.11</u>	<u>89,612.86</u>
Non -Current Liabilities			
Long Term Borrowings	4	-	3,224.03
		<u>-</u>	<u>3,224.03</u>
Current Liabilities			
Trade Payables	5	85,219.07	73,572.40
Other current liabilities	6	8,259.00	39,236.89
Short Term Provisions	7	381.69	138.23
		<u>93,859.76</u>	<u>112,947.52</u>
TOTAL		<u>255,268.87</u>	<u>205,784.41</u>
ASSETS			
Non -Current Assets			
Fixed assets			
Tangible assets	8	34,364.64	17,325.22
Intangible assets		251.09	119.91
Capital Work in Progress		85.50	-
		<u>34,701.23</u>	<u>17,445.13</u>
Non Current Investments	9	94,597.32	88,886.77
Deferred Tax Assets (Net)	10	398.97	315.42
Long-term loans and advances	11	393.48	5,159.17
Other Non Current Assets	12	20.02	-
		<u>95,409.79</u>	<u>94,361.36</u>
Current Assets			
Inventories	13	3,643.57	3,698.29
Trade receivables	14	7,946.98	83,339.86
Cash and Bank balances	15	16,375.79	304.90
Short-term loans and advances	16	97,171.32	6,634.72
Other Current Assets	17	20.19	0.15
		<u>125,157.85</u>	<u>93,977.92</u>
TOTAL		<u>255,268.87</u>	<u>205,784.41</u>
Significant Accounting Policies	1		
Notes forming parts of Financial Statements	2-31		


As per our report of even date attached

For J R Purohit & Co.
Chartered Accountants
(Firm Reg No: 111841W)


(Vikas Purohit)
Partner
Membership No. 131959
Place: Ahmedabad
Date: 28/09/2012



For and on behalf of the Board


Director
Place: Ahmedabad
Date :

SHANTI EDUCATIONAL INITIATIVES LIMITED

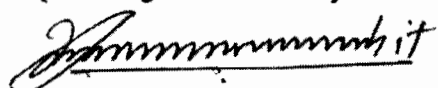
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

		(₹ in Thousands)	
	Notes	2011-12	2010-11
INCOME			
Revenue from operations	18	118,537.48	103,119.47
Other income	19	968.28	969.44
Total Revenue		119,505.76	104,088.91
EXPENSES			
Purchase of Stock in Trade	20 (a)	90,272.17	79,743.71
Changes in inventories of finished goods	20 (b)	54.71	9,387.72
Employee benefits expenses	21	15,078.08	6,232.77
Finance Cost	22	717.08	1,001.49
Depreciation and Amortisation	8	1,108.20	610.56
Other expenses	23	11,612.98	6,489.32
Total Expenses		118,843.22	103,465.57
Profit before Tax and Prior Period Items		662.54	623.34
Less/ [Add] :Tax expenses			
(1) Current tax		750.00	125.00
(2) (Excess) / Short Provision of Income Tax		(7.31)	104.36
(3) Deferred tax		(83.55)	0.53
Total Tax Expenses		659.14	229.89
Profit After Tax And Before Prior Period Items		3.40	393.45
Prior Period Items	24		
Depreciation of Earlier Years	8	1623.16	-
Profit for the Year		(1,619.76)	393.45
Earnings per equity share of face value of ` 10 each			
Basic and Diluted (in `)	25	(0.91)	0.46
Significant Accounting Policies	1		
Notes forming parts of Financial Statements	2-31		

As per our report of even date attached

For J R Purohit & Co.
Chartered Accountants
(Firm Reg No: 111841W)

For and on behalf of the Board



(Vikas Purohit)
Partner
Membrship No. 131959
Place: Ahmedabad
Date: 28/09/2012




Director

Ahmedabad
Date :


Director

SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 2 : SHARE CAPITAL	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	In thousands	No. of Shares	In thousands
Authorised Equity Shares of ` 10/- each	30,000,000	300,000.00	1,000,000	10,000.00
Issued , Subscribed and Fully paid Equity Shares of ` 10/- each	8,200,000	82,000.00	858,400	8,584.00
Par Value of Share (` 10 each)	8,200,000	82,000.00	858,400	8,584.00

2.1 Reconciliation of the number of shares outstanding and the amount of share capital is as under:

Equity shares	31.03.2012		31.03.2011	
	No. of Shares	In thousands	No. of Shares	In thousands
At the beginning of the year	858,400	8,584.00	858,400	8,584.00
Add: Issued during the year	7,341,600	73,416.00	-	-
Outstanding at the end of the year	8,200,000	82,000.00	858,400	8,584.00

2.2 Details of Shareholders holding more than 5% equity shares #

Name of Share holders	31.03.2012		31.03.2011	
	No. of Equity Shares	% Holding	No. of Equity Shares	% Holding
Jaiprakash D. Agrawal	500,000.00	6.10%		
Vedprakash D. Agrawal	450,000.00	5.49%		
Brijmohan D. Agrawal	500,000.00	6.10%		
JyotiPrasad D. Agrawal	450,000.00	5.49%		
Manju J. Agrawal	500,000.00	6.10%		
Urmila J. Agrawal	450,000.00	5.49%		
Priti B. Agrawal	500,000.00	6.10%		
Ronak Agrawal	650,000.00	7.93%	124,700.00	14.53%
Vansh J. Chiripal	650,000.00	7.93%	132,690.00	15.46%
Chiripal Exim LLP	650,000.00	7.93%	-	0.00%
Devkinandan Corporation LLP	650,000.00	7.93%	-	0.00%
Vishal V. Chiripal			47,990.00	5.59%
Dipak J. Chiripal			45,000.00	5.24%
Vijay Subham Contrade Private Limited			102,500.00	11.94%
Kautilya Traders Private Limited			347,500.00	40.48%
Chiripal Textile Mills Private Limited			44,500.00	5.18%

As per the records of the company, including its register of members.

2.3 The Company has only one class of shares referred to as equity shares having a par value of ` 10/- . Each holder of equity shares is entitled to one vote per shares.

2.4 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.5 Information regarding issue of shares in the last five years

- (a) The company has not issued any shares without payment being received in cash.
- (b) The company has not issued any bonus shares.
- (c) The company has not undertaken any buy back of shares.



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SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Thousands)

Note 3 : RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
Securities Premium		
Balance as per last Balance sheet	47,456.00	47,456.00
Add: Addition during the year	-	-
Balance as at year end	<u>47,456.00</u>	<u>47,456.00</u>
General Reserve		
Balance as per last Balance sheet	145.00	145.00
Add :Transferred from Surplus in Statement of Profit & Loss	-	-
Balance as at year end	<u>145.00</u>	<u>145.00</u>
Surplus in the Statement of Profit and Loss		
Balance as per last Balance sheet	33,427.87	33,034.42
Add: Profit for the year	(1,619.76)	393.45
Balance as at year end	<u>31,808.11</u>	<u>33,427.86</u>
	<u>79,409.11</u>	<u>81,028.86</u>

Note 4 : LONG TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
Secured		
Term loan from Bank #	1,933.93	6,053.63
Less:		
Amount disclosed under the head "Other Current Liabilities" (Refer Note 6)	(1,933.93)	(2,829.60)
	<u>-</u>	<u>3,224.03</u>

4.1 Type of Loan & Nature of Security

Term Loan from a bank amounting to ` 1,933.93 thousands (PY ` 6,053.63) is secured by equitable mortgage of following properties with State Bank Of India and personal guarantee of two directors.

1. Flat at Ashoka Towers Mumbai
2. Flat at Greenwoods, Mumbai.

4.2 Terms of Repayment

Repayable in 84 monthly installments beginning from 1st March, 2007 alongwith interest at 12.25%. However, the Company has prepaid the loan.

Default in terms of repayment of principle and interest -NIL



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SHANTI EDUCATIONAL INITIATIVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 5 : TRADE PAYABLES	(₹ In Thousands)	
	As at 31.03.2012	As at 31.03.2011
Others	85,219.07	73,572.40
	85,219.07	73,572.40

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



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SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Thousands)

Note 6 : OTHER CURRENT LIABILITIES	As at 31.03.2012	As at 31.03.2011
(a) Current maturities of long term debt (Refer Note 4)	1,933.93	2,829.60
(b) Other payables :		
Statutory Payables	1,483.62	616.61
Advances from customers	1,503.63	33,934.57
Payable towards capital expenditure	348.55	-
Bank Overdraft (Due to Reconciliation)	822.54	1,004.46
Payable to employees	1,486.04	723.09
Income received in advance	680.69	128.56
	8,259.00	39,236.89

Note 7 : SHORT TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
(a) Provision for Employee Benefits		
Bonus	381.69	138.23
	381.69	138.23



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SHANTI EDUCATIONAL INITIATIVES LTD.
FORMERLY KNOWN AS CHIRPAL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 :- FIXED ASSETS

In thousands

Description of Asset	Gross Block			Depreciation			Net Block			
	As at 01/04/2011	Additions during the year	Deductions during the year	As at 31/03/2012	As at 01/04/2011	For the Year	On deductions / adjustments	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
TANGIBLE ASSETS										
Land	-	19,090.89	-	19,090.89	-	-	-	-	19,090.89	-
Buildings	14,248.27	-	-	14,248.27	-	231.88	-	231.88	14,016.39	14,248.27
Plant and Equipments	734.26	56.50	-	790.76	417.12	47.63	-	464.75	326.01	317.14
Furniture and Fixtures	6,578.10	73.65	-	6,651.75	4,600.84	415.15	-	5,015.99	1,635.76	1,977.26
Computers	538.80	462.25	-	1,001.05	187.58	230.80	-	418.38	582.67	351.22
Office Equipments	139.30	17.02	-	156.32	79.84	15.99	-	95.83	60.49	59.46
Vehicles	401.90	-	-	401.90	30.03	96.28	-	126.31	275.59	371.87
Depreciation of Earlier Years (Refer Note 24)						1,623.16		1,623.16	(1,623.16)	
Total TANGIBLE ASSETS (A)	22,640.63	19,700.31		42,340.94	5,318.49	2,660.89		7,976.30	34,364.64	17,025.22
INTANGIBLE ASSETS										
Computer Softwares	122.99	166.65	-	289.64	3.08	68.82	-	71.90	217.74	119.91
Trade Mark	-	35.00	-	35.00	-	1.65	-	1.65	33.35	-
Total INTANGIBLE ASSETS (B)	122.99	201.65		324.64	3.08	70.47		73.55	251.09	119.91
CAPITAL WORK IN PROGRESS (C)									85.50	
Total (A+B+C)	22,763.62	19,901.96		42,665.58	5,318.49	2,731.36		8,049.85	34,701.73	17,145.13
Previous Year	27,109.55	1,361.94	-	28,471.49	4,707.92	610.56	-	5,318.49	23,153.00	22,401.63



Signature

SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Thousands)

Note 9 : NON CURRENT INVESTMENTS

	As at 31.03.2012	As at 31.03.2011
Investment in Property:		
Ashok Tower (Mumbai)	28,890.87	27,872.12
Greenwood (Mumbai)	4,104.67	4,104.67
Office in Surat	1,603.20	1,603.20
	<u>34,598.74</u>	<u>33,579.99</u>
Investment in Equity Instruments:		
Quoted:		
Investments in Equity Instruments:		
CIL Nova Petrochemicals Limited	283.40	-
95,700 Equity Shares of ₹ 5/- each		
GSL Nova Petrochemicals Limited	283.40	-
34900 Equity Shares of ₹ 5/- each		
	<u>566.80</u>	<u>-</u>
Unquoted:		
Investments in Equity Instruments :		
Chiripal Industries Limited:	40,420.00	40,420.00
418,350 Equity Shares [P.Y. 418,350] of ₹ 10/- each		
Dindayal Processors Private Limited:	1,375.00	250.00
50000 Equity Shares [P.Y. 25000] of ₹ 10/- each		
Bhushan Petrofils Private Limited:	195.00	195.00
19500 Equity Shares [P.Y. 19500] of ₹ 10/- each		
Deepak Impex Private Limited:	350.00	350.00
35000 Equity Shares [P.Y. 35000] of ₹ 10/- each		
Hexa International Private limited:	4,250.00	4,250.00
65000 Equity Shares [P.Y. 65000] of ₹ 10/- each		
Kautilya Traders Private Limited:	3,838.28	3,838.28
383828 Equity Shares [P.Y. 383828] of ₹ 10/- each		
Prakash Calendar Private Limited:	190.00	190.00
19000 Equity Shares [P.Y. 19000] of ₹ 10/- each		
Quality Exim Private Limited:	1,500.00	-
30000 Equity Shares [P.Y. NIL] of ₹ 10/- each		
Shanti Exports Private Limited:	4,462.50	4,462.50
8925 Equity Shares [P.Y. 8925] of ₹ 10/- each		
Sparrow Exports Private Limited:	260.00	260.00
26000 Equity Shares [P.Y. 26000] of ₹ 10/- each		
Vijay Shubham Contrade Private Limited:	1,091.00	1,091.00
109100 Equity Shares [P.Y. 109100] of ₹ 10/- each		
Somnath Weaving Private Limited:	1,500.00	-
109100 Equity Shares [P.Y. 109100] of ₹ 10/- each		
	<u>59,431.78</u>	<u>55,306.78</u>
	<u>94,597.32</u>	<u>88,886.77</u>

9.1 Disclosure of Aggregate and Market Value of Investments:

Aggregate amount of unquoted Investments	59,431.78	55,306.78
Aggregate amount of quoted Investments	566.80	-
Market Value of quoted Investments	1,949.91	-

9.2 During the year, the company has converted quoted investment from stock In Trade to Investment at Cost



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SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Thousands)

Note 10 : DEFERRED TAXES	As at 31.03.2012	As at 31.03.2011
---------------------------------	-----------------------------	-----------------------------

Major components of Deferred Tax liabilities and Assets are as under:

Deferred Tax	As at 31.3.2012	As at 31.3.2011
Deferred Tax Assets:		
On Account of Bonus	87.09	-
On Account of Disallowance u/s 40(a)(ia)		
On Account of Depreciation	311.88	315.42
Net Deferred Tax Asset	398.97	315.42
Less: Net Deferred Tax Asset of Earlier Years	315.42	315.95
Net Deferred Tax (Expense) for the year	(83.55)	0.53

Note 11 : LONG TERM LOANS AND ADVANCES	As at 31.03.2012	As at 31.03.2011
---	-----------------------------	-----------------------------

Unsecured, Considered good

(a) Capital Advances	-	277.55
(b) Security Deposits	200.00	189.00
(c) Others		
Advance Payment of Taxes (Net)	193.48	67.62
Share Application Money		
Somnath Weaving Private Limited	-	1,500.00
Dindayal Processors Private Limited	-	1,125.00
Dwarka Knitting Private Limited	-	2,000.00
	393.48	5,159.17

Note 12 : Other Non Current Assets	As at 31.03.2012	As at 31.03.2011
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Prepaid Expenses	20.02	-
	20.02	-

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SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Thousands)

Note 13 : INVENTORIES	As at 31.03.2012	As at 31.03.2011
(Valued at lower of Cost and Net realisable value, unless other wise stated)		
(a) Shares & Securities	-	566.79
(b) Franchisee Material	3,643.57	3,131.50
	3,643.57	3,698.29

Note 14 : TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
Unsecured, considered good		
(a) Overdue for Six Months	430.35	73.18
(b) Other	7,516.63	83,266.68
	7,946.98	83,339.86

Note 15 : CASH AND BANK BALANCES	As at 31.03.2012	As at 31.03.2011
(a) Cash and Cash Equivalents		
(i) Balances with banks In Current Accounts	16,109.78	131.37
(ii) Cash on hand	266.01	173.53
	16,375.79	304.90

Note 16 : SHORT TERM LOANS AND ADVANCES	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered good		
(a) Loans and advances to related parties	93,292.55	1,018.19
(b) Others:		
Advances to Related Parties		
Advances to Suppliers	2,328.02	75.94
Balance with Excise, Customs and Sales Tax Authorities	63.28	110.33
Loans and Advances to Employees	468.10	53.85
Advance recoverable in cash or in kind or for value to be received	1,019.37	5,376.42
	97,171.32	6,634.72

Note 17 : OTHER CURRENT ASSETS	As at 31.03.2012	As at 31.03.2011
(a) Prepaid Expenses	20.19	0.15
	20.19	0.15



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SHANTI EDUCATIONAL INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 18 : REVENUE FROM OPERATIONS	Year	2011-12	Year	2010-11
Sale of Products (Net of Returns) (Refer Note 27)		102,579.25		87,674.53
Sale of Services (Refer Note 27)		15,391.44		5,946.52
Sale/Adjustment of Shares and Securities		566.79		9,498.42
		118,537.48		103,119.47

Note 19 : OTHER INCOME	Year	2011-12	Year	2010-11
(a) Interest		-		242.82
(b) Dividend				
From Long Term Investment		2.10		2.10
(c) Other Non-operating income				
Rent Income		720.00		720.00
Miscellaneous Income		212.30		4.52
Foreign Exchange Fluctuation (Net)		33.88		-
		968.28		969.44

Note 20 :	2011-12	2010-11
(a) PURCHASE OF STOCK IN TRADE		
Gray Purchase	80,734.18	71,563.37
Franchisee Material	9,537.99	8,180.34
	90,272.17	79,743.71
(b) CHANGES IN INVENTORIES OF FINISHED GOODS		
Stock at the end of the year	3,643.57	3,698.28
Stock at the beginning of the year	3,698.28	13,086.00
	54.71	9,387.72

Note 21 : EMPLOYEE BENEFIT EXPENSE	Year	2011-12	Year	2010-11
Salaries and Wages		14,939.59		6,115.97
Contribution to Provident and other Funds		22.83		14.64
Staff welfare expenses		115.66		102.16
Total ..		15,078.08		6,232.77

Note 22 : FINANCE COST	Year	2011-12	Year	2010-11
Interest		701.35		1,000.02
Bank Charges		15.73		1.47
Total ..		717.08		1,001.49



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Note 23 : OTHER EXPENSES	Year 2011-12	Year 2010-11
Job work charges	135.68	340.20
Power and fuel	169.76	-
Transportation Inward	100.34	75.64
Packing Charges	59.87	3.84
	<u>465.65</u>	<u>419.68</u>
Rent	120.00	-
Repairs and Maintenance:		
Building	61.92	55.14
Others	506.06	92.14
Advertisement Expense	3,691.40	3,754.05
Postage and Courier	125.72	29.92
Insurance	12.00	5.44
Internet expenses	97.46	14.18
ROC Filing fees	1,944.70	6.50
Rates and Taxes	53.28	32.54
Transportation Outward	73.64	15.13
Tour and Travelling	2,351.61	997.27
Payment to Auditors (Refer Note No. 26)	56.18	8.27
Legal and Professional	309.13	333.81
Telephone and Mobile	296.36	147.55
Printing & Stationery Expenses	285.05	120.97
Office Expenses	229.44	87.48
Sales & Distribution Expenses	333.21	266.88
Vehicle expenses	268.68	69.71
Miscellaneous Expenses	331.49	32.66
	<u>11,147.33</u>	<u>6,069.64</u>
	<u>11,612.98</u>	<u>6,489.32</u>

Note 24 : Prior Period Item

Depreciation on the Building used for office purpose was not provided for in earlier years. The same has been provided for in the current year for all the years including earlier years. The Depreciation of earlier years amounting to `1623160 /- has been shown on the face of statement of Profit and Loss as "Prior Period Item" in accordance with Accounting Standard 5.



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Note 25 : Earning per Share	Year	2011-12	Year	2010-11
(a) Profit attributable to shareholders as per Statement of Profit and Loss		(1,619.76)		393.45
Weighted Average no.of equity shares used as denominator for calculating				
(b) EPS		1,789,644.00		858,400.00
(c) Basic and Diluted Earnings per Share (`)		(0.91)		0.46
(d) Face Value per Equity share		10.00		10.00

Note 26 : Payment to Auditors for	Year	2011-12	Year	2010-11
As Audit Fees		56.18		8.27
Total ..		56.18		8.27

Note 27	Year	2011-12	Year	2010-11
Sale of Products				
Franchise Material (Net of Discounts)		11,794.10		6,420.07
Gray Sales		90,785.15		81,254.46
		<u>102,579.25</u>		<u>87,674.53</u>
Sale of Services				
Royalty Income		10,019.25		863.64
Franchise Fees Income		4,956.06		5,082.88
Cycle Display Income		416.13		-
		<u>15,391.44</u>		<u>5,946.52</u>
Total ..		117,970.69		93,621.05



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Note 28 : RELATED PARTY DISCLOSURES UNDER AS-18

Name of the Concern	Nature of Relationship
Chiripal Charitable Trust	Significant Influence
Chiripal Industries Limited	Significant Influence
Milestone Educom Trust	Significant Influence
Nandan Exim Limited	Significant Influence
Shanti Exports Pvt Ltd	Significant Influence
Shanti Innovation and research Foundation	Significant Influence

Disclosure of Transactions between Company and Related Parties

Nature of Transaction	₹ in thousands)	
	2011-2012	2010-2011
Sale of Service	7,996.97	-
Loan Given	93,292.55	1,018.19
Purchase of Material	356.33	730.51
Reimbursement of Expenses paid	377.16	1,168.32
Reimbursement of Expenses received	719.20	87.00
Sale of Material	3,133.58	-
Rent Received	794.16	720.00
Rent Paid	132.36	-

Note 29

Balance of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation .

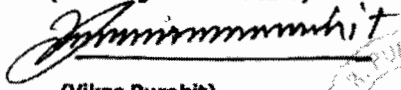
Note 30 : EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF	₹ in thousands)	
	2011-12	2010-11
Travelling Expenses	59.15	-
Remittance for Import Purchases	1,677.39	710.61


Note 31

The previous year's figures have been regrouped / re-classified to conform to this year's classification which is as per Revised Schedule VI. This adoption does not Impact recognition and measurement principles followed for preparation of financial statements as at 31st March, 2011

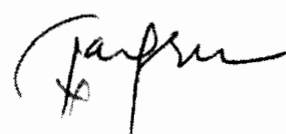

As per our report of even date attached

For J R Purohit & Co.
Chartered Accountants
(Firm Reg No: 111841W)


(Vikas Purohit)
Partner
Memerbrship No. 131959
Place: Ahmedabad
Date: 28/09/2012



For and on behalf of the Board

 
Director Director
Place: Ahmedabad
Date :