

SHANTI EDUCATIONAL INITIATIVES LIMITED

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

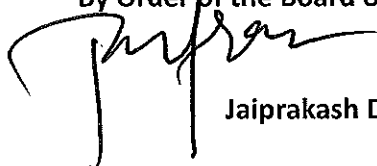
NOTICE

Notice is hereby given the 26th Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2014 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, 2014 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.

Date: 01st September, 2014
Place: Ahmedabad

By Order of the Board of Directors

Jaiprakash D. Chiripal
Chairman

NOTES:

1. A MEMBER 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, 2014.

FINANCIAL REVIEW:

FINANCIAL RESULTS	Current Year ended on 31st March, 2014 Amount (Rs. in Thousands)	Previous Year ended on 31st March, 2013 Amount (Rs. in Thousands)
Income	64567788	24513613
Expense	62996152	22907686
Profit before depreciation	1571636	275815
Less – depreciation	969897	1477901
Profit after depreciation	601739	128025
Less - Current Tax	120000	113500
Less – Deferred Tax	70793	(10766)
Add – Provision for I. Tax written back	0	(2374)
Add – Deferred Tax of Earlier Year Written Back	0	0.00
Add – Deferred Tax Assets for Earlier Year	0	0.00
Less – Income Tax for Earlier Year	0	0.00
Profit after taxation	410946	27665
Depreciation of earlier years	0	0.00
Balance of profit / (loss) brought forward	0	0.00
Balance Carried To Balance Sheet	410496	276649

PERFORMANCE:

Your Company's total income for the year 2013-14 is Rs. 64567788 compared to last year's income of Rs. 24513613. The Profit Before Tax (after depreciation) during the year under review was Rs. 601739 as compared to previous year's figure of Rs. 128025. Your Company has earned Net Profit of Rs. 410496 against the Net Profit of Rs. 276649 during the previous year. Your Company expects to achieve better performance during the current year.

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.

SHANTI EDUCATIONAL INITIATIVES LIMITED

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

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.

AUDITORS:

M/s. Anil S. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company retires at the end of the ensuing Annual General Meeting of the Company. The retiring Statutory Auditors are eligible for reappointment. The Board recommends their reappointment as the Statutory Auditors for the approval of the members at the ensuing Annual General Meeting and to fix their remuneration.

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 eligible offers himself for reappointment. Your directors recommend his re-appointment at the ensuing Annual General Meeting of the Company.

During the year, Shri Deepak Chiripal ceased to be director and Smt. Vineeta Chiripal was appointed as a director.

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, 2014 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, 2014 are prepared on going concern basis.

SHANTI EDUCATIONAL INITIATIVES LIMITED

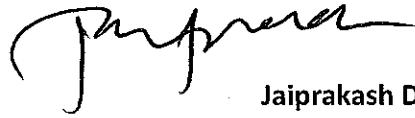
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ACKNOWLEDGEMENT:

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.

By Order of the Board of Directors



Jaiprakash D. Chiripal
Chairman

Date: 01st September, 2014

Place: Ahmedabad

ANIL S. SHAH & Co.
CHARTERED ACCOUNTANTS

ANIL S. SHAH
B.Com, F.C.A.

KRUNAL A. SHAH
B.Com, F.C.A.

Tel. 27541146

Office:
302, Shaily Complex,
9, Nehru Park,
Old Highcourt Road,
Navarangpura,
Ahmedabad-9

Independent Auditors' Report

TO
THE MEMBERS
SHANTI EDUCATIONAL INITIATIVES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SHANTI EDUCATIONAL INITIATIVES LIMITED (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

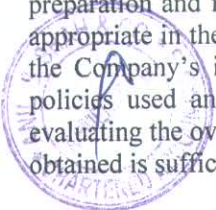
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor'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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



OPINION

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. As required by Section 227(3) of the Act, we report that:

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

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

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

d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For , **M/S. ANIL S. SHAH & CO** Ltd.
Chartered Accountants
(Firm Registration No. 100474W)

Ahmedabad

Date :01.09.2014



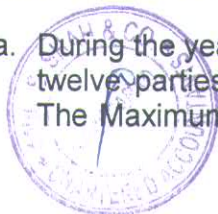
ANIL S SHAH
Partner
Membership No.: 16613

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report even date)

The Annexure referred to in our report to the members of Shanti Education Initiatives Ltd. (the Company) for the year ended 31st March, 2014. We report that :

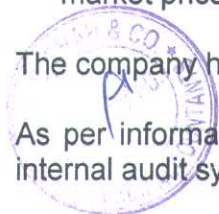
1. In respect of Fixed Assets:
 - a. The Company has not maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
 - c. In our opinion, the Company has not disposed off any major/substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventories:
 - 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 at the end of the year 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 inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a. During the year under audit, the company has granted unsecured loans to twelve parties covered under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs. 3423.07 Lacs



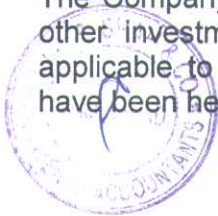
and year end balance of loans granted to such party amounting to Rs. 3095.96 Lacs.

During the year the company has taken unsecured loans from six parties covered under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs. 5331.01 Lacs and year end balance of loans taken from such party amounting to Rs. 1904.20 Lacs.

- b. According to the information and explanations given to us, the company has taken unsecured loans from the parties covered under section 301 of The Companies Act, 1956, are interest free and as explained to us the other terms & conditions are not prima facie prejudicial to the interest of the company.
 - c. According to the information and explanations given to us, the loans granted by the company are interest free loans hence the question of recovery of interest does not arise and in case of principle, as explained to us recovery of loan granted have been made recoverable on demand.
 - d. In respect of loans granted by the company during the year, as the terms of recovery have been on demand as explained to us, overdue installments in respect of the same has not arise.
4. 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 purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
- 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 transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of the five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public.
7. As per information and explanation given to us, the Company has its own internal audit system commensurate with the size and nature of its business.



8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. In respect of Statutory Dues:
 - a. According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, tax deducted at source, service tax, sales tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty, Sales Tax and Excise Duty were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of para 4 (xiv) are not applicable to the Company. The shares, securities and other investments have been held by the company, in its own name.



15. As per the information and explanation given to us and in our opinion, the company has not given any guarantee for loan taken by others from banks and financial institution.
16. To the best of our knowledge and belief and according to the information and explanation given to us, no fresh term loans availed by the company during the year under Audit.
17. According to the information and explanations given to us and on overall examination of Balance Sheet of the company, the funds raised on short term basis have prima facie not been used during the year for long term investment (fixed assets etc.) and vice versa, other than temporary deployment pending application.
18. During the year, the Company has not made preferential allotment of share to the party covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the company has not issued any debentures.
20. During the year, the Company has not raised any money by way of Public issues.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud had occurred in the company during the year under audit.

**FOR, M/S. ANIL S. SHAH & CO.
CHARTERED ACCOUNTANTS**

PLACE: Ahmedabad

DATE: 01/09/2014



**(Anil S. SHAH)
PARTNER
M. NO.: 016613
FRN : 100474W**

SHANTI EDUCATION INITIATIVE LIMITED.

BALANCE-SHEET AS ON 31st MAR,2014

PARTICULARS	Note	Amount in `	
		CURRENT YEAR	PREVIOUS YEAR
I EQUITY AND LIABILITIES			
A SHARE HOLDERS FUNDS			
Share Capital	2	140000000	140000000
Reserve & Surplus	3	80103065	79685753
		220103065	219685753
B Non-current liabilities			
(a) Long-term borrowings	4	280399850	2500000
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities	5	397119	172270
(d) Long-term provisions	6	491305	491305
		281288274	3163575
C Current liabilities			
(a) Short-term borrowings	7	0	0
(b) Trade payables	8	6819042	183747607
(c) Other current liabilities	9	3643066	185509471
(d) Short-term provisions	10	3412737	2744328
		13874845	372001406
TOTAL>>>>		515266184	594850734
II ASSETS			
A Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		61305259	64121088
(ii) Intangible assets		0	193502
(iii) Capital work-in-progress		195500	187000
(iv) Intangible assets under development		0	0
(b) Non-current investments	12	114116213	114134814
(c) Deferred tax assets (Net)	13	435834	506627
(d) Long-term loans and advances	14	309595674	259405582
(e) Other non current assets	15	197538	576640
		485846018	439125253
B Current assets			
(a) Current investments		0	0
(b) Inventories	16	7795558	6517679
(c) Trade receivables	17	11207668	140142381
(d) Cash and cash equivalents	18	2547662	5422781
(e) Short-term loans and advances	19	7869278	3642637
(f) Other current assets		0	0
		29420166	155725478
TOTAL>>>>		515266184	594850734

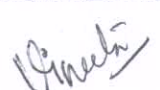
The notes referred to above are an integral part of Profit & Loss Significant Accounting Policies and Notes on Accounts as Note "1"

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W

ANIL S. SHAH
Partner
(Membership No.016613)

For, SHANTI EDUCATIONAL INITIATIVES LTD.

JAIPRAKASH D. CHIRIPAL
DIRECTOR
DIN -00155430

For, SHANTI EDUCATIONAL INITIATIVES LTD.

VINEETA VISHAL CHIRIPAL
DIRECTOR
DIN -00155462

Place: Ahmedabad
Date: 01/09/2014

PLACE : AHMEDABAD.
DATE : 01/09/2014

SHANTI EDUCATION INITIATIVE LIMITED.

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED
ON 31st MARCH, '2014

PARTICULARS	Note	Amount in `	
		CURRENT YEAR	PREVIOUS YEAR
I. Revenue from operations		51686750	242313978
Less Excise duty		0	0
Revenue from operations (net)	20	51686750	242313978
II. Other Income	21	12881037	2822152
III. Total revenue >>(i+ii)		64567788	245136130
IV. <u>Expenses</u>			
(a) Cost of Materials	22	0	0
(b) Purchases of stock-in-trade	23	18022393	200231963
(c) Changes in inventories of finished goods, work-in-progress	24	(1277316)	(2874110)
(e) Employee benefits expenses	25	30639558	24634797
(f) Finance costs	26	145695	403793
(g) Depreciation and amortisation expense	11	969897	1477901
(h) Other expenses	27	15465822	19981530
Total expenses >>		63966049	243855875
V. Profit / (Loss) before exceptional and extraordinary items and tax		601739	1280255
VI. Exceptional items		0	0
VII. Profit / (Loss) before extraordinary items and tax		601739	1280255
VIII. Extraordinary Items		0	0
IX. Profit / (Loss) before tax		601739	1280255
X. Tax expense :			
(a) Current tax expense for current year		120000	1135000
(b) MAT credit/utilisation		0	0
(c) Tax expense relating to prior year written back		0	(23736)
(e) Deferred tax assets		70793	(107658)
		190793	1003606
XI. Profit / (Loss) from for the period from continuing operations		410946	276649
XII. Profit / (Loss) from discontinuing operations (before tax)		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit / (Loss) from discontinuing operations (after tax)		0	0
XV. Profit / (Loss) from for the period from continuing operations		410946	276649
Earning per equity share [nominal value of 10/- (perivious year-10)]			
Basic and Diluted		0.03	0.02

The notes referred to above are an integral part of Profit & Loss Significant Accounting Policies and Notes on Accounts as Note "1"

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W

ANIL S. SHAH
Partner
(Membership No.016613)
Place: Ahmedabad
Date:01/09/2014

For, SHANTI EDUCATIONAL INITIATIVES LTD.

JAIPRAKASH D. CHIRIPAL
DIRECTOR
DIN -00155430

VINEETA VISHAL CHIRIPAL
DIRECTOR
DIN -00155462

Director
Place : Ahmedabad
Date : 01/09/2014

SHANTI EDUCATIONAL INITIATIVES LTD.

Note: 1 Significant Accounting Policies, Contingent Liabilities and Notes Forming Part of Accounts

1.1 BASIS OF ACCOUNTING

- (a) Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the companies Act, 1956.
- (b) The Company follows the mercantile system of accounting on a going concern basis.

1.2 Use of Estimate

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of financial statements are reported amounts of incomes and expenses during the period. Actual results could differ from those estimates.

1.3 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 the 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 upto the date when the asset is ready for its intended use.

1.4 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 assets have been amortized over its useful 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.

1.5 REVENUE RECOGNITION

- a) Sales of Franchisee Material/Traded are recognized net of returns and discounts, if any; when significant risks and rewards of ownership of products are passed on to customers.
- b) Revenue from Franchisee constituting one time Franchisee fee (non – refundable) is recognized upon receipt of fee from the Franchisee. The recurring revenue from Franchisee is recognized on accrual basis.
- c) Revenue from Dividend income is recorded when right to receive the income arises.
- d) Interest income is accounted on accrual basis.

1.6 INVENTORIES

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

1.7 INVESTMENTS

Long Term Investments are stated at cost less provision for permanent diminution in value, if any as at the Balance sheet date.

1.8 RETIREMENT BENEFITS

a) Short Term Benefits

Short term employees 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.

b) Long Term Benefits

The company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the company in the case of defined contribution plans.

1.9 FOREIGN CURRENCY TRANSACTION

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 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 the 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.

1.10 BORROWING COST

Borrowing costs 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.

1.11 PRELIMINARY EXPENDITURE

Preliminary Expenditure if any, is to be apportion in five equal installments, commencing from the year in which the expenditure has been incurred.

1.12 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 to timing differences between accounting income and taxable income of 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.

1.13 PRIOR PERIOD ITEMS

Prior period incomes & expenditures are treated as current year's income/expenditure.

1.14 PROVISION :

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settled the obligation and on a reliable estimate can be made of the amount of obligation.

1.15 EARNING PER SHARE:

The earning considered in ascertaining the company's EPS comprises the Net Profit or Loss for the period after and extraordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year.

1.16 CONTINGENT LIABILITIES

Contingent Liabilities are determined on the basis of available information and explanations given to us and are disclosed by way of note to the accounts.

1.18 Cash and cash equivalents:

Cash and cash equivalents comprise cash and balance with Banks

SHANTI EDUCATION INITIATIVE.LTD.

**NOTE - 2
Share Capital**

PARTICULARS	Amount in `	
	31.03.2014	31.03.2013
AUTHORISED		
30000000 Equity Shares of Rs.10/- each (Previous Year 30000000 Shares)	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
14000000 Equity Shares of Rs.10/- each fully paid up (Previous Year 14000000 Shares)	140,000,000	140,000,000
Total	<u>140,000,000</u>	<u>140,000,000</u>

2.1 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March,2014	As at 31st March,2013
	No.of Shares	No.of Shares
Equity Shares at the beginning of the year	14000000	8,200,000
Add: Shares issued	0	5,800,000
Less : Shares cancelled	0	0
Equity: Shares at the end of the year	14000000	14,000,000

2.2 Terms attached to Equity Share

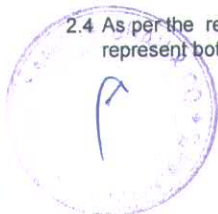
The Company has only one class of Equity Shares having a par value of Rs.10/- per share.
Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares would be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

2.3 The details of Shareholders holding more than 5%shares

Sr.No	Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares	% held	No. of Shares	% held
1	Jaiprakash D. Agrawal	700000	5.00%	0	0
2	Vedprakash D Agrawal	850000	6.07%	850000	6.07%
3	Brijmohan D Agrawal	800000	5.71%	800000	5.71%
4	Jyotiprasad D Agrawal	650000	4.64%	650000	4.64%
5	Manju J Agrawal	800000	5.71%	800000	5.71%
6	Urmila J Agrawal	750000	5.36%	750000	5.36%
7	Priti B Agrawal	800000	5.71%	800000	5.71%
8	Ronak Agrawal	1000000	7.14%	1000000	7.14%
9	Vansh Chiripal	1000000	7.14%	1000000	7.14%
10	Chiripal Exim LLP	1250000	8.93%	1250000	8.93%
11	Devkinandan Corporation LLP	1250000	8.93%	1250000	8.93%
12	Vishal Chiripal	800000	5.71%	800000	5.71%
12	Dipak Chiripal	840000	6.00%	840000	6.00%
14	Savitridevi D Chiripal	950000	6.79%	0	0

2.4 As per the records of the Company including its Register of Shareholder/members, the above shareholding represent both legal & beneficial ownership of the shares



NOTE - 3
Reserve & Surplus

PARTICULARS	Amount in `	
	CURRENT	PREVIOUS
	YEAR	YEAR
A <u>GENERAL RESERVE</u>		
Balance Brought Forward	145,000	145,000
Total	<u>145,000</u>	<u>145,000</u>
B <u>PROFIT & LOSS ACCOUNT</u>		
Balance Brought Forward	32,091,120	31,808,107
Add : Profit/(loss) for the year	410,946	276,646
Total	<u>32,502,065</u>	<u>32,084,753</u>
C <u>SECURITY PREMIUM RESERVE</u>		
Balance Brought Forward	47,456,000	47,456,000
Add : During the year	0	0
Total	<u>47,456,000</u>	<u>47,456,000</u>
TOTAL (A+B+C+D)	<u><u>80,103,065</u></u>	<u><u>79,685,753</u></u>

NOTE - 4
Long-Term Borrowing

4.A SECURED TERM LOANS	0	0
4.B OTHER SECURED LOANS FROM BANK	0	0
Total	<u>0</u>	<u>0</u>
4.C UNSECURED		
From Related parties	190,399,850	2,500,000
	0	0
From others	90,000,000	0
Total	<u>280,399,850</u>	<u>2,500,000</u>
TOTAL (A+B+C+D)	<u><u>280,399,850</u></u>	<u><u>2,500,000</u></u>
	0	0
Total	<u>280,399,850</u>	<u>2,500,000</u>

NOTE - 5
Other Long-Term Liabilities

-Sundry Creditors for Capital Goods	397,119	172,270
Total	<u>397,119</u>	<u>172,270</u>

NOTE - 6
Long-Term Provisins

Provision for Gratuity (Refer Note No. 6.1)	491,305	491,305
Total	<u>491,305</u>	<u>491,305</u>



**Note 6.1: Benefits : Defined plan and long term employment benefit
Gratuity (Defined Benefit Plan)**

The following tables summarise the components of net benefit expenses recognized in statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plans

Net Employee benefit expense (recognized in employee cost)

Particulars		
Current Service Cost	265784	262571
Interest Cost	40287	0
Expected Return on Plan assets	0	0
Net actuarial (gain)/loss recognized in the year	(196221)	0
Prior Year Change	2527	228734
Net Benefit Exp.	112377	491305

Details of Provision for Gratuity

Particulars		
Defined benefit obligation	112377	491305
Fair Value of Plan Assets	0	0
	112377	491305
Less : Un recognized past service cost	0	0
Liability/(Assets) recognized in the Balance sheet	112377	491305

Changes in the present value of the defined benefit obligation are as follows

Particulars		
Opening defined benefit obligation	491305	0
Interest cost on benefit obligation	40287	0
Current year service cost	265784	262571
Prior year charge	2527	228734
Benefits Paid	0	0
Actuarial gains/(losses)	(196221)	0
Closing fair value of plan assets	603682	491305

Changes in the fair value of plan assets are as follows

Particulars		
Opening fair value of plan assets	0	0
Expected Return	0	0
Contributions by employer	0	0
Benefits paid	0	0
Actuarial gains/(losses)	0	0
Closing fair value of plan assets	0	0

The principal actuarial assumption used in determining the Gratuity for the Company's plan are as under

Particulars		
Discount Rate	9.10%	8.20%
Rate of increase in compensation levels	6.00%	6.00%
Rate of return of plan assets	NA	NA

**NOTE - 7
Short-Term Borrowings**

SECURED

Working Capital Loan	0	0
From Banks	0	0

UNSECURED

	0	0
--	---	---

Total	0	0
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NOTE - 8
Trade Payables

PARTICULARS	Amount in	
	CURRENT	PREVIOUS
	YEAR	YEAR
-Sundry Creditors for Goods	2,687,073	0
-Sundry Creditors for Expenses	3,888,969	183,747,607
Others	242,999	0
Total	6,819,042	183,747,607

Note 8.1 In absence of available information regarding suppliers / buyers fall within definition of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, the amount outstanding and interest due thereon to Micro, Small and Medium Enterprises is not ascertainable as on Balance Sheet date.

NOTE - 9
Other Current Liabilities

Insurance claim Received for third parties	0	0
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	3,642,505	2,863,089
Balance sheet Dif	561	0
Advances from customers	0	179,806,820
Sundry Others Liabilities(including credit balance of bank)	0	2,839,562
Total	3,643,066	185,509,471

NOTE - 10
Short-term Provisions

-Salary payable	2,353,803	2,158,878
-Bonus payable	676,216	585,450
-Expenses others	262,718	0
Provision Tax	120,000	0
Total	3,412,737	2,744,328



NOTE-12
Non Current Investments

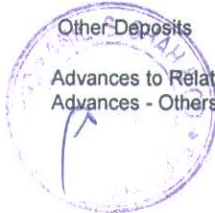
PARTICULARS	Amount in `	
	CURRENT	PREVIOUS
	YEAR	YEAR
Investment		
Long Term Investments Other than Trade		
INVESTMENT IN IMMOVABLE PROPERTY		
ASHOK TOWER	29,302,269	28,890,870
GREENWOOD MUMBAI 303	4,104,673	4,104,673
SURAT OFFICE	1,603,200	1,603,200
QUOTED SHARES (At Cost) Other		
GSL NOVA PETROCHEMICALS LTD - 34900	283,396	283,396
CIL NOVA PETROCHEMICALS LTD - 95700	283,396	283,396
UNQUOTED SHARES (At Cost) Other		
CIL,SHARE-266600	39,990,000	39,990,000
CIL,SHARE-55000	0	0
HIPL,SHARE-50000	500,000	500,000
Kautilya Traders P.Ltd,Share-383828	3,838,280	3,838,280
CIL,SHARE-96750	0	430,000
Navsarjan Proj. Pvt. Ltd - 960000 Shares	24,000,000	24,000,000
Dindayal Processors Pvt Ltd - 25000 Shares	1,125,000	1,125,000
DIPL,SHARE-35000	350,000	350,000
DPPL,SHARE-25000	250,000	250,000
PCPL,SHARE-19000	190,000	190,000
Hexa International P.Ltd - 15000	3,750,000	3,750,000
Quality Exim Pvt Ltd - 5000 Shares	250,000	250,000
SPAROW EXPORTS,SHARE-26000	260,000	260,000
Vijay Shubham Contrade P.Ltd,Share-109100	1,091,000	1,091,000
Somnath Weaving Pvt. Ltd. - 30000 Shares	1,500,000	1,500,000
BPPL,SHARE-19500	195,000	195,000
Quality Exim Pvt Ltd - 25000 Shares	1,250,000	1,250,000
Total	114,116,213	114,134,814
1. Aggregate value of Unquoted Investmetns	78,539,280	78,969,280
2. Market Value of Quoted Investment	2,364,543	1,676,605

NOTE-13
Deferred tax assets (Net)

Deferred Tax Liability (Refer Note 36)	0	0
Deferred tax asses (Refer Note 36)	435,834	506,627
Total	435,834	506,627

NOTE - 14
Long-term loans and advances

Advance for Capital Goods (Unsecured, considered good) Unsecured, considered good	0	0
Other Deposits	0	450,602
Advances to Related parties	308,595,674	259,405,582
Advances - Others	1,000,000	0
Total	309,595,674	259,856,184



PARTICULARS	Amount in `	
	CURRENT	PREVIOUS
	YEAR	YEAR

NOTE-15

Other non current assets

Unsecured, considered good		
Trade receivable (Exceeding Six Months)	153,038	0
Less: Provision for Doubtful	0	0
Deposits	44,500	107,000
Total	197,538	107,000

NOTE -16

Inventories

(As taken valued & Certified by the Directors)

Traded Goods

Franchisee Material (At Cost or Market value which ever lower)	7,795,558	6,517,679
INVENTORY	0	0
	0	0
	0	0
Total	7,795,558	6,517,679

NOTE-17

Trade Receivables

(UnSecured Considered Good)

More than six months (Reffer note 15)

Sundry Debtors	11,207,668	140,142,381
Less: Provision for Doubtful	0	0
Total	11,207,668	140,142,381

NOTE-18

Cash and Cash Equivalents

-Cash on Hand	136,621	270,717
-In Current Account	2,411,042	5,152,063
-F.D.R. A/c with Bank	0	0
Total	2,547,662	5,422,780

NOTE-19

Short-term Loans and Advances

TDS Receivables	645,424	43,502
Advances to Suppliers	4,436,243	1,981,600
Advances & Deposits	2,787,611	613,785
-Advance Recoverable in Cash or in Kind or for value to be Received .	0	1,003,750
Total	7,869,278	3,642,637



PARTICULARS	Amount in	
	CURRENT	PREVIOUS
	YEAR	YEAR

NOTE-20
Revenue from operations

Training Income	4,596,650	478,230
Sales	25,575,608	217,430,988
Royalty Income	11,395,369	18,676,870
Franchisee Income	10,119,123	5,727,890
Total	<u>51,686,750</u>	<u>242,313,978</u>

NOTE - 21
Other Income

Sundry balance writtern off	14,659	0
Training charges	447,500	0
Rent	790,000	720,000
Foreign exchange	12,689	334,865
Profit on sale of Investment	10,687,675	1,338,750
Cycle Display income	0	245,168
Misc Income	65,870	0
Other Income	862,644	183,369
Total	<u>12,881,037</u>	<u>2,822,152</u>

NOTE - 22
Cost of Materials

Cost of Material	0	0
Total	<u>0</u>	<u>0</u>

NOTE - 23
Purchases of stock-in-trade

Purchase	18,022,393	200,231,963
Total	<u>18,022,393</u>	<u>200,231,963</u>

NOTE - 24
CHANGES OF INVENTORIES OF FINISHED GOODS,WORK IN PROGREE AND STOCK-IN-TRADE

<u>Inventories at the end of the year:</u>		
Stock-in-trade	7,795,558	6,517,680
	<u>7,795,558</u>	<u>6,517,680</u>
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	6,518,243	3,643,571
	<u>6,518,243</u>	<u>3,643,571</u>
Total	<u>1,277,316</u>	<u>2,874,110</u>



NOTE - 25
Payment to Employees

PARTICULARS	Amount in `	
	CURRENT	PREVIOUS
	YEAR	YEAR
-Salaries, Wages, Bonus & P.F. etc.	30,484,198	23,974,991
Contributions to provident funds	15,123	25,480
-Gratuity A/c. (Reffer Note no.6)	0	491,305
-Leave Encashment	0	0
-Staff Welfare	140,237	143,022
Total	30,639,558	24,634,797

NOTE - 26
Financial Expenses

-Interest / Bank Interest	127,440	379,905
-Bank Charges & Commission	18,255	23,888
Total	145,695	403,793

NOTE - 27
Other Expenses

Lorry Freight	417,699	137,962
Electric charges	360,075	317,365
Rent Exp	1,085,850	273,000
Software development	105,353	0
Cluster sharing fees	0	300,372
Donation exp	0	2,500,000
Packing Charges	0	80,043
Commission exp	35,225	0
-Repairs & Maintenance Others	342,801	372,946
Inspection Charges	221,606	0

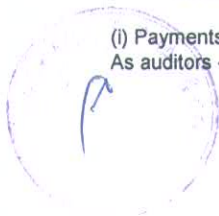
Administration & Selling and Distrubution Exp.

-Rent, Rates & Taxes (Net)	118,197	104,421
-Stationery & Printing	383,581	409,120
-Audit Fees Remuneration	0	56,180
-Conveyance	465,569	512,028
-Travelling Expenses	2,928,772	2,776,623
-Insurance	11,106	10,240
-Telephone & Internet	619,073	504,116
-Transportation	54,923	131,624
-Miscellaneous Expenses	350,624	445,921
-Referral Charges	346,620	0
-Consultancy	17,648	
-Legal Expenses	238,061	5,349,618
-Postage	89,540	70,722
Pantry & canteen exp	173,651	0
Franking charges	16,050	0
Office exp	107,780	217,383
Prior Period	51,363	0
Cycle exp	80,055	0
Vat paid exp	58,972	0
Computer exp	17,270	0
Training exp	35,696	520,913
Web development exp	10,593	0
-Advertiesment & Sales Promotion	6,722,069	4,890,933
Total	15,465,822	19,981,530

Payments to the Auditor's

(i) Payments to the auditors comprises
As auditors - statutory audit
Income Tax
Company Law matter

	0	56,180
	0	0
	0	0
Total	0	56,180



Note: 28 Provision for current year's income tax aggregating Rs.1,20,000/- (Previous Year Rs. 1135000/-) has been made on estimated basis for the accounting year ended on 31.03.2014. The actual tax liabilities of the company will be determined on the basis of taxable income of the company for F.Y 2013-14.

Note: 29 **Expenses includes following payments to Directors**
Employment cost include managerial remuneration paid / payable during the year in accordance with the provisions of Section 198 of the Companies Act, 1956

<u>Remuneration to Directors:-</u>	2013-14	2012-13
Managerial Remuneration	NIL	NIL
Contribution to Provident Funds	<u>NIL</u> NIL	<u>NIL</u> NIL
	===	===

The employee wise break up & facility on account of gratuity based on an actual evaluation is not ascertainable. The amounts related to the Directors are therefore, not considered above.

Note: 30 **Earning per share**

Particular	2013-2014	2012-2013
(a) Net Profit after tax available for Equity Share Holders	410945	276650
(b) Weighted Avg. No. of shares used as denominator for Calculation of Basic EPS on shares of Rs. 10 each.(P.Y. per share value @ Rs. 10/-)	14000000	14000000
Basic/Diluted Earning per shares (a/b)	0.03	0.02

Note: 31 **Exceptional Item**

Particular	2013-2014	2012-2013
a. Profit / (Loss) on sale of Fixed assets	NIL	NIL
b. Profit / (Loss) on sale of Immovable property	-	-
Total	NIL	NIL

Note: 32 **Related Party**

The Company has identified the following related parties under Accounting standard – 18 on related parties, issued by the institute of chartered accountants of India.

a) **Other related parties with whom transaction have taken place during the year Associates /Enterprise which has significant influence**

- i. CHIRIPAL CHARITABLE TRUST
- ii. CHIRIPAL INDUSTRIES LTD
- iii. MILESTONE EDUCATION TRUST
- iv. NANDAN EXIM LTD
- v. NAVSARJAN PROJECTS LTD
- vi. SD EDUCATION TRUST
- vii. SHANTI EXPORTS P.LTD
- viii. SHANTI INNOVATION & RESEARCH FOUNDATION
- ix. AGRAWAL EDUCATIOON TRUST
- x. VRUNDAVAN FURNISHING PVT. LTD.
- xi. QUALITY EXIM PVT. LTD.
- xii. VISHAL FABRICS LIMITED
- xiii. SATRAMA TRADING LLP
- xiv. SHANTI ACADEMIC RESEARCH FOUNDATION

b) key management personnel

- i. JAIPRAKASH D. CHIRIPAL
- ii. VINEETA V CHIRIPAL
- iii. ANANDBHAI N. AGRAWAL

e) The Related Party Transactions are under: -

Sr. No.	NATURE OF TRANSACTIONS	ASSOCIATES COMPANIES	HOLDING COMPANY	KEY MANAGEMENT PERSONAL
1	SALES GOODS AND SERVICES	3481750 (15490550)		-
2	FINANCE DEPOSITS GIVEN DEPOSITS ACCEPTED	 424811380 (166113040) 79158380 (NIL)	 - - -	 - -
3	EXPENSES RENT & MAINTENANCE	134832 (134832)	-	-
4	OUTSTANDING RECEIVABLES DEBTORS DEPOSITS TAKEN DEPOSITS GIVEN	 9048142 (6343858) 190419850 (50559174) 309595674 (259688426)	 - - - -	 - - -

Note: 33

Deferred Taxes

In accordance with the Accounting Standard 22 "Accounting for Taxes on Income issued by the ICAI, the company has accounted for deferred taxes during the year.

Following are the major components of Deferred Tax Asset/(Liabilities) :

Component	Opening Balance as on 01/04/2013	Current year Amount of DTA/(DTL)	Closing balance of DTA/(DTL) as on 31/03/2014
Account of Depreciation	121530	(70793)	50737
Account of Disallowance u/s. 40(a)(ia)	115510	NIL	115510
Account of Bonus	269587	NIL	269587
Total	506627	(70793)	435834

Tax Impact for the above purpose has been arrived by applying a tax rate of 30.90% being the rate prevailing for the Indian Companies under the Income Tax Act, 1961

Note: 34

Impairment of assets

The company has not recognized any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on Impairment of Assets issued by The Institute of Chartered Accountants of India, since in the opinion of the management the reduction in value of any assets, to the extent required, has already been provided for in the books.

Note: 35

Value of Imported/Indigenous Stores Spares and Components Consumed.

Class of Goods	2013-14	2012-13
	Value	Value
A) Indigenous Goods	NIL	NIL
B) Imported Goods	NIL	NIL

(Quantity details are not available as there are different types of units)

Note: 36

Earning / Expenditure in Foreign Currency

2013-14

2012-13

A. Expenditure in foreign currency during the Financial year on account of royalty, know-how, Professional consultation fees, interest and Other matters	NIL	NIL
a) Foreign Bank Charge & Commission	NIL	NIL
b) Foreign Traveling	NIL	NIL
c) Advertisement	NIL	NIL
B. Value of Imports on C.I.F. basis in respect of Advance payment for purchase goods (Previous year Purchase of goods)	2041036	3448050
C. Remittances of Foreign currency on account Of dividend	NIL	NIL
D. Value of Imported Raw material consumed	NIL	NIL
E. Income in Foreign currency during the Financial year on account of Sales.	NIL	NIL

Note: 37

Others

- The Previous year figures have been regrouped/rearranged to make them comparable with the current year's figures. Figures in brackets are of previous year's.
- In the opinion of the Board, all the current assets, Loans and advances have a value on the realization in the ordinary course of the business at least equal to the amount at which they are stated.
- Balances of sundry debtors, sundry creditors and loans and advances etc., are subject to confirmation and reconciliation, and consequential adjustment, if any.

Signature to Notes 1 to 37

As per our report and even date annexed.

For, M/S. ANIL S. SHAH & CO.
CHARTERED ACCOUNTANTS
(Firm Reg. No. 100474W)

Anil S. Shah
PARTNER
M.No. : 016613

Place : Ahmedabad
Date : 01/09/2014

For, SHANTI EDUCATIONAL INITIATIVES LTD.

JAI PRAKASH D. CHIRIPAL
Director
DIN : 00155430

Place : Ahmedabad
Date : 01/09/2014

VINEETA V. CHIRIPAL
Director
DIN : 00155462