



P. MURALI & CO.,

CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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INDEPENDENT AUDITOR'S REPORT

To the Members of

VIRINCHI LEARNING PRIVATE LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of VIRINCHI LEARNING PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as on March 31, 2013 and 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:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these 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.

8

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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



MUKUND VIJAYARAO JOSHI
Chartered Accountant
Membership No:024784



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Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity 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, 2013; and
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;

Report on Other Legal and Regulatory Requirements:

1. Since the Company is a private limited company with a paid up capital and reserves not more than rupees fifty lakhs and does not have loan outstanding exceeding rupees twenty five lakhs from any bank or financial institution and does not have a turnover exceeding rupees five crores at any point of time during the financial year, requirement by the Companies (Auditors Report) order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of section 227 of the Companies Act, 1956 are not applicable to the Company.

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 and Statement of Profit and Loss dealt with by this Report is in agreement with the books of account
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P.MURALI & CO.
CHARTERED ACCOUNTANTS
FRN:0072575

PLACE: HYDERABAD
DATE : 02.09.2013


PARTNER
MUKUND VIJAYARAO JOSHI
Chartered Accountant
Membership No:024784

VIRINCHI LEARNING PRIVATE LIMITED


Balance Sheet as at 31st March, 2013


Particulars	Note No	As on 31/03/2013	As on 31/03/2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	(33,13,112)	-
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	1,86,50,281	1,29,83,770
(3) Current Liabilities			
(a) Short-term provisions	4	13,19,475	
Total		1,67,56,644	1,30,83,770
II. Assets			
(1)(a) Fixed Assets			
(i) Intangible assets	5	1,64,29,120	1,29,83,770
(b) Other Non Current Assets	6	58,778	58,778
(2) Current assets			
(a) Cash and cash equivalents	7	2,68,746	41,222
Total		1,67,56,644	1,30,83,770

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,
Chartered Accountants
Firm Regn. No: 007257S


Partner



For VIRINCHI LEARNING PVT LTD

For VIRINCHI LEARNING PVT LTD


Director


Authorized Signatory
Director

Place : Hyderabad
Date : 02.09.2013



VIRINCHI LEARNING PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I. Revenue from operations			
II. Other Income		-	
	II. Total Revenue	-	
III. Expenses:			
Employee benefit expense		31,63,112	
Administrative Expenses		1,50,000	
	IV. Total Expenses	33,13,112	
V. Profit before exceptional and extraordinary items and tax (II - IV)		(33,13,112)	
VI. Exceptional Items		-	
VII. Profit before extraordinary items and tax (V - VI)		(33,13,112)	
VIII. Extraordinary Items		-	
IX. Profit before tax (VII - VIII)		(33,13,112)	
X. Tax expense:			
(1) Current tax		-	
(2) Deferred tax		-	
XI. Profit(Loss) from the period from continuing operations (IX - X)		(33,13,112)	
XII. Profit/(Loss) for the period (XI + XIV)		(33,13,112)	
XVI. Earning per equity share:			
(1) Basic		(33)	
(2) Diluted		(33)	

The accompanying Notes are an Integral Part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,
Chartered Accountants
Firm Regn. No: 0072575


Partner



Place : Hyderabad
Date : 02.09.2013

MUKUND VIJAYARAO JOSHI
Chartered Accountant
Membership No: 024784

For VIRINCHI LEARNING PVT LTD


Director

For VIRINCHI LEARNING PVT. LTD.


Authorized Signatory

VIRINCHI LEARNING PRIVATE LIMITED

NOTES TO BALANCE SHEET

NOTE NO. 1 : SHARE CAPITAL

S.NO.	Particulars	As on 31/03/13	As on 31/03/2012
		Rs.	No. of Shares
a	Share Capital (For each class of capital)		
	(a) Authorised	1,00,000	1,00,000
	(b) Issued		
	(c) Subscribed & Fully Paid Up	1,00,000	1,00,000
	(d) Subscribed & not fully paid up		
	(e) Par value per share Rs. 10		
	Total Equity Share capital	1,00,000	1,00,000
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: Equity Shares of Rs.10Each, Fully paid up : At the Beginning At the end	Number of Shares	Number of Shares
		10000	10000
		10000	10000
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	
	10000 Equity Shares of Rs. 10 each Held By M/s. Virinchi Technologies Ltd (Previous Year 10,000 Equity Sahres Rs.10/- held by Virinchi Technologies Ltd	100%	

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	RESERVES AND SURPLUS		
	a) Surpuls :		
	i) Opening Balance - Profit and Loss Account	-	-
	Add: Transfer from Profit & Loss Account	(33,13,112)	
	Total Reserves and Surplus	(33,13,112)	-

NOTE NO. 3 : LONG TERM BORROWINGS

S.No.	Particulars	As on 31/03/2013	As at 31/03/2012
		Rs	Rs
I	Unsecured Loans	1,86,50,281	1,29,83,770
	Total long term borrowings	1,86,50,281	1,29,83,770

NOTE NO. 4 : SHORT TERM PROVISIONS

S.No.	Particulars	As on 31/03/2013	As at 31/03/2012
		Rs	Rs
I	Short Term Provisions		
	Salaries Payable	10,58,347	
	TDS	2,52,728	
	Professional Tax	8,400	
	Total Short term borrowings	13,19,475	-

NOTE NO.6: OTHER NON - CURRENT ASSETS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	Unamortised Expenses	58,778	58,778
	Total Other non - current assets	58,778	58,778

NOTE NO. 7 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	2,15,068	
	b) Cash on hand	53,678	41,222
	Total Cash and Cash Equivalents	2,68,746	41,222



For VIRINCHI LEARNING PVT. LTD.

Authorized Signatory

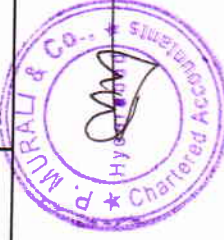
For VIRINCHI LEARNING PVT. LTD.

K. Ray
Authorized Signatory

Note Number : 5

FIXED ASSETS AS ON 31st MARCH, 2013

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2013	Net Block as on 31.03.2012
		As on 01.04.2012	Additions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Dep. For the year 2012-2013	Total Depreciation		
1	INTANGIBLE FIXED ASSETS	1,29,83,770	34,45,350	1,64,29,120	-	-	-	1,64,29,120	1,29,83,770
	TOTAL	1,29,83,770	34,45,350	1,64,29,120	-	-	-	1,64,29,120	1,29,83,770
	Previous Year								



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For VIRINCHI LEARNING PVT. LTD.

 Authorized Signatory

For VIRINCHI LEARNING PVT. LTD.
 K. Ravi
 Authorized Signatory

VIRINCHI LEARNING PRIVATE LIMITED
Notes to Accounts

- 8) There are no dues to SSI Units outstanding for more than 45 days.
- 9) As there is no timing difference of depreciation/loss, the provision for deferred income tax liability does not arise as per Accounting Standard 22 (AS 22) issued by ICAI and hence deferred income tax liability has not been provided.
- 10) Auditors' Remuneration:

Particulars	31-03-2013	31-03-2012
	Rupees	Rupees
Audit Fee	2,809	-

- 11) Previous years' figures are restated/regrouped/rearranged wherever necessary in order to Conform to the current years' grouping and classifications.
- 12) Figures have been rounded off to the nearest rupee.

SIGNATURES TO NOTES 1 TO 12


For P.Murali & Co.,
Chartered Accountants
Firm's Registration Number: 007257S


Partner

MUKUND VIJAYARAO JOSHI
Chartered Accountant
Membership No:024784

Place: Hyderabad
Date: 02.09.2013

For and on behalf the Board
VIRINCHI LEARNING PRIVATE LIMITED

For VIRINCHI LEARNING PVT. L

Director


Authorized Signatory

Director

VIRINCHI LEARNING PRIVATE LIMITED

Notes to Accounts

1. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) REVENUE RECOGNITION:

- i) The Company follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.
- ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

c) TAXATION:

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

For VIRINCHI LEARNING PVT. L.

Sd/-

Authorized Signatory



For VIRINCHI LEARNING PVT. L.

Authorized Signatory