



**P. MURALI & CO.,**

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

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470

Fax : (91-40) 2339 2474

E-mail : pmurali.co@gmail.com  
info@pmurali.com

Website : www.pmurali.com

## 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 at March 31, 2014, and 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:

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') read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect Section 133 of the Companies Act, 2013. 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.

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 entity'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.





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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, 2014;  
(b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date.

**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 sub-section (4A) of section 227 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.

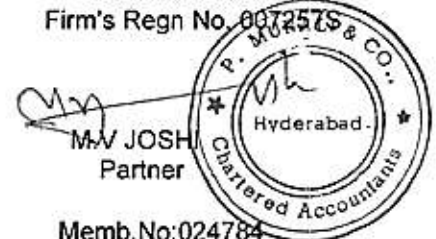
c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in Sub-Section(3C) of Section 211 of the Companies Act, 1956 ('the Act') read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect Section 133 of the Companies Act, 2013.

e) On the basis of written representations received from the directors as on March 31, 2014, and 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 clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Hyderabad  
Date: 29.05.2014

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



Memb.No: 024784



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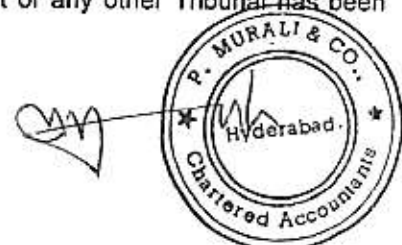
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**ANNEXURE TO THE AUDITORS' REPORT**

**THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF VIRINCHI LEARNING PRIVATE LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

- I. The Company has no Fixed Assets and as such the clause (a),(b) & (c) are not applicable.
- II. The Company has no Inventory and as such the clause (a),(b),& (c) are not applicable.
- III. (a) The Company has not granted loans secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such clause (b),(c) & (d) are not applicable.  
  
(e) The Company has not taken loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956 and as such clause (f)& (g) are not applicable
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanations given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s 301 of the Companies Act, 1956 does not arise.  
  
(b) According to the information and explanations given to us, as no such contracts or arrangements are made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.

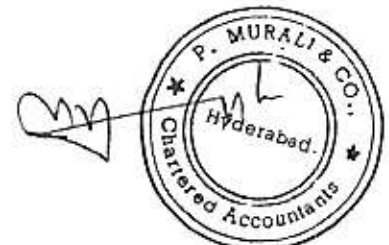




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- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax/sales tax or any statutory dues which have not been deposited on account of any dispute.
- X. Since the Company has been registered for a period of less than 5 years, the clause as regards accumulated loss and cash loss is not applicable.
- XI. According to information and explanations given to us, the Company has not taken any loans from Banks or Financial Institutions or debenture holders. Hence this clause of repayment of dues to financial institutions or banks or debenture holders and the defaulted payment therein does not arise.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise .





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- XVI. According to the information and explanations given to us, no Term Loans have been obtained by the company and the application of the same does not arise.
- XVII. According to the information and explanations given to us, no short term funds have been raised; hence the clause as regards long term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company has not issued debentures and hence the applicability of clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year; hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

Place: Hyderabad  
Date:29.05.2014

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



VIRINCHI LEARNING PRIVATE LIMITED

A. SIGNIFICANT ACCOUNTING POLICIES

General:

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of going concern.
- (ii) Accounting policies not specifically referred to otherwise or consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

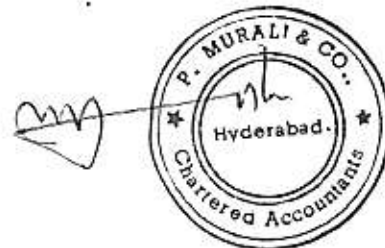
- (i) The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.
- (ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of Intangible assets is recognized in the Statement of Profit and Loss.

Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.



**VIRINCHI LEARNING PRIVATE LIMITED**

**B. NOTES ON ACCOUNTS**

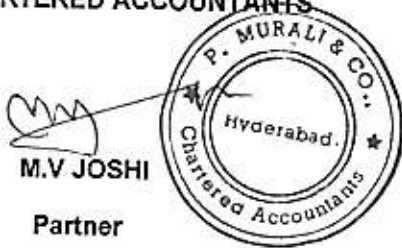
- |                            |              |               |
|----------------------------|--------------|---------------|
| 13. Auditors Remuneration: | Current Year | Previous Year |
|                            | Rs.11,236    | -             |
14. There are no dues to SSI Units outstanding for more than 45 days.
15. Previous year's figures have been regrouped wherever necessary.
16. The figures have been rounded off to the nearest rupee.

**SIGNATURE TO NOTES 1 TO 16**

As per our report of even date

For P. MURALI & CO.,

**CHARTERED ACCOUNTANTS**



Membership No. 024784

For and on behalf of the Board

**VIRINCHI LEARNING PRIVATE LIMITED**

Director

Director

Place: Hyderabad

Date : 29.05.2014

**VIRINCHI LEARNING PRIVATE LIMITED**

Balance Sheet as at 31st March, 2014

Particulars	Note No	As on 31/03/2014 Rs	As on 31/03/2013 Rs
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	1	11,70,000	1,00,000
(b) Reserves and Surplus	2	43,01,894	(33,13,112)
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	1,99,95,986	1,86,50,281
(3) Current Liabilities			
(a) Short-term provisions	4	6,46,935	12,90,091
<b>Total</b>		<b>2,61,14,815</b>	<b>1,67,27,260</b>
<b>II. Assets</b>			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets		2,37,09,672	1,64,29,120
(ii) Intangible assets		20,39,200	-
(b) Long Term Loans and Advances	5		
(2) Current assets			
(a) Cash and cash equivalents	6	3,31,743	2,68,746
(b) Other current assets	7	34,200	29,394
<b>Total</b>		<b>2,61,14,815</b>	<b>1,67,27,260</b>

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: 0072578

M V Joshi  
Partner  
Membership No. 024784



For VIRINCHI LEARNING PVT LTD

Director

Director

Place : Hyderabad  
Date : 29.05.2014

**VIRINCHI LEARNING PRIVATE LIMITED**

**Profit and Loss statement for the year ended 31st March, 2014**

Particulars	Note No	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I. Revenue from operations	8	8,00,000	-
II. Other Income		-	-
<b>II. Total Revenue</b>		<b>8,00,000</b>	<b>-</b>
<u>III. Expenses:</u>			
Employee benefit expense	9	26,57,612	-
Administrative Expenses	10	97,192	-
Other Expenses	11	60,190	-
Depreciation and amortization expense			
<b>IV. Total Expenses</b>		<b>28,14,994</b>	<b>-</b>
V. Profit before exceptional and extraordinary items and tax (II - IV)		(20,14,994)	-
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(20,14,994)	-
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(20,14,994)	-
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations (IX - X)		(20,14,994)	-
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(20,14,994)	-
XVI. Earning per equity share:			
(1) Basic			
(2) Diluted			

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



M V Joshi  
Partner  
Membership No. 024784

Place : Hyderabad  
Date : 29.05.2014

For VIRINCHI LEARNING PVT LTD

Director

Director

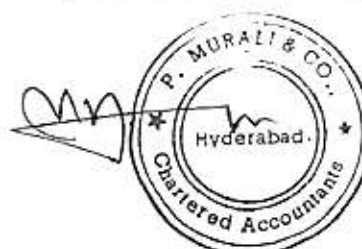
**VIRINCHI LEARNING PRIVATE LIMITED**

**NOTES TO BALANCE SHEET**  
**NOTE NO. 1 : SHARE CAPITAL**

Particulars	As on 31/03/2014 Rs.	As on 31/03/2013 Rs.
<b>SHARE CAPITAL AUTHORISED:</b>	15,00,000	1,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL:</b>		
(a) Subscribed & Fully Paid up:	11,70,000	1,00,000
(b) Subscribed & not fully paid up		
<b>Total Equity Share capital</b>	<b>11,70,000</b>	<b>1,00,000</b>
The Company has only one class of shares referred to as Equity shares having a par value of Rs.10/- each		
<b>The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.</b>		No. of shares
Equity Shares at the Beginning		10,000
Add: Issued during the year		
Equity Shares at the end of the year	-	10,000
<b>Details of Shareholder holding more than 5% shares as at March 31st 2014 and March 31st 2013 is set out below:</b>		
1.Name of the Shareholder : Mr. Viswanath Kompella No. of Shares: 23,24,900 (Previous Year : 14,74,900/-) % held : 12.93 (Previous Year : 9.84)		

**NOTE NO. 2 : RESERVES AND SURPLUS**

Particulars	As on 31/03/2014 Rs.	As on 31/03/2013 Rs.
<b>RESERVES AND SURPLUS</b>		
<b>a) Securities Premium Reserve</b>		
As at the commencement of the year		
Add: Additions during the year	96,30,000	-
	<b>96,30,000</b>	
<b>b) Share options outstanding account</b>		
<b>c) Surpuls :</b>		
i) Opening Balance - Profit and Loss Account	(33,13,112)	-
Add: Transfer from Profit & Loss Account	(20,14,994)	(33,13,112)
Less: Dividend		
	<b>(53,28,106)</b>	<b>(33,13,112)</b>
<b>Total Reserves and Surplus</b>	<b>43,01,894</b>	<b>(33,13,112)</b>



**NOTE NO. 3 : LONG TERM BORROWINGS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
Long Term borrowings Unsecured Loans	1,99,95,986	1,86,50,281
<b>Total long term borrowings</b>	<b>1,99,95,986</b>	<b>1,86,50,281</b>

**NOTE NO. 4 : SHORT TERM PROVISIONS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
Salaries Payable	6,06,681	10,28,963
TDS	29,018	2,52,728
Audit Fee Payable	11,236	-
Professional Tax	-	8,400
<b>Total Short Term Provisions</b>	<b>6,46,935</b>	<b>12,90,091</b>

**NOTE NO. 5 : LONGTERM LOANS AND ADVANCES**

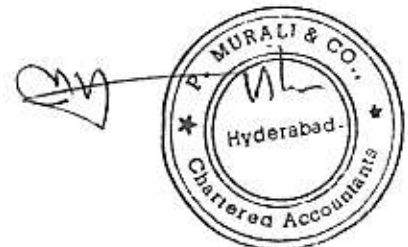
S. No.	As on 31/03/2014	As on 31-03-2013
	Rs.	Rs.
Long - term loans and advances:		
a) Other loans And advances Unsecured	20,39,200	-
<b>Total Long term loans &amp; advances</b>	<b>20,39,200</b>	<b>-</b>

**NOTE NO. 6 : CASH AND BANK BALANCES**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	1,46,277	2,15,068
b) Cash on hand	1,85,466	53,678
<b>Total Cash and Cash Equivalents</b>	<b>3,31,743</b>	<b>2,68,746</b>

**NOTE NO. 7 : OTHER CURRENT ASSETS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
Other Current Assets	34,200	29,394
<b>Total Other Current Assets</b>	<b>34,200</b>	<b>29,394</b>



Note Number : 5

FIXED ASSETS, AS ON 31st MARCH, 2014

Sl. No.	Particulars	Gross Block			Depreciation/Amortization					Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation	Net Block as on 31.03.2014	
10	INTANGIBLE FIXED ASSETS	71,83,770	58,00,000	1,29,83,770	-	-	-	-	1,29,83,770	71,83,770
	TOTAL	71,83,770	58,00,000	1,29,83,770	-	-	-	-	1,29,83,770	71,83,770

*(Handwritten Signature)*



**VIRINCHI LEARNING PRIVATE LIMITED**

Notes to Financials Statements for the year ended 31-03-2014

**NOTE NO. 8 : REVENUE FROM OPERATIONS**

S. No.	Particulars	For the Year ended 31-03-2014	For the Year ended 31-03-2013
		Rs	Rs
(i)	Revenue from operations (a) Sale of Services	8,00,000	-
	<b>Total Revenue from Operations</b>	<b>8,00,000</b>	<b>-</b>

**NOTE NO. 9 : EMPLOYEE BENEFIT EXPENSES**

S. No.	Particulars	For the Year ended 31-03-2014	For the Year ended 31-03-2013
		Rs	Rs
I	(a) Salaries & Wages	26,51,092	-
	(b) Staff welfare	6,520	-
	<b>Total Employee Benefit Expenses</b>	<b>26,57,612</b>	<b>-</b>

**NOTE NO. 10 : ADMINISTRATIVE EXPENSES**

S. No.	Particulars	For the Year ended 31-03-2014	For the Year ended 31-03-2013
		Rs	Rs
I	(a) Telephone, Postage and Others	4,750	-
	(b) Business Promotion Expenses	81,206	-
	(c) Payment to Auditors: (i) As Auditor	11,236	-
	<b>Total Administrative Expenses</b>	<b>97,192</b>	<b>-</b>

**NOTE NO. 11 : OTHER EXPENSES**

S. No.	Particulars	For the Year ended 31-03-2014	For the Year ended 31-03-2013
		Rs	Rs
I	(a) Travelling & Conveyance Expenses	18,655	-
	(b) Rent, Rates & Taxes	5,535	-
	(c) Administrative Expenses	36,000	-
	<b>Total Other expenses</b>	<b>60,190</b>	<b>-</b>

