

IN THE BUSINESS OF  
ENHANCING RESULTS,  
RESULT MATTERS.



Annual Report 2013-14



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#### Section 212

93

## DELIVERING CONSISTENT GROWTH

80,829

FY14

Students Served

136

FY14

Location Count

12.8%

5 Year CAGR

[Students Served]

8.7%

5 Year CAGR

[Location]

### Forward Looking Statement

Certain statements in the Annual Report describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Mahesh R. Shetty** - Chairman and Managing Director  
**Mr. Naarayanan Iyer** - Non Independent, Non Executive Director  
**Dr. Chhaya Shastri** - Non Independent, Non Executive Director  
**Ms. Drushti Desai** - Independent, Non Executive Director  
**Mr. Yatin Samant** - Independent, Non Executive Director  
**Mr. Uday Lajmi** - Independent, Non Executive Director

## BOARD COMMITTEES

### Audit Committee

Ms. Drushti Desai (Chairperson)  
 Mr. Uday Lajmi  
 Dr. Chhaya Shastri

### Remuneration Committee

Mr. Uday Lajmi (Chairman)  
 Mr. Yatin Samant  
 Ms. Drushti Desai

### Shareholders' and Investors' Grievances Committee

Mr. Yatin Samant (Chairman)  
 Mr. Drushti Desai  
 Dr. Chhaya Shastri

### Company Secretary & Compliance Officer

Mr. Ashwin M. Patel

## INTERNAL AUDITORS

### Mukund N. Chitale & Co.

Chartered Accountants  
 204-205 Agrawal Shyamkamal – A,  
 Vile Parle (East),  
 Mumbai - 400 057

## REGISTERED OFFICE

### MT Educare Limited

(CIN:L80903MH2006PLC163888)  
 220, 2<sup>nd</sup> Floor, "FLYING COLORS"  
 Pandit Din Dayal Upadhyay Marg  
 L.B.S Cross Road, Mulund (West)  
 Mumbai - 400080  
 Tel: (+91 22) 2593 7700 / 800 / 900  
 Fax: (+91 22) 2593 7799  
 Email : info@mteducare.com

## BANKERS

Citi Bank NA  
 Axis Bank Limited  
 The Shamrao Vitthal Co-operative  
 Bank Limited

## STATUTORY AUDITORS

### Shaparia & Mehta

Chartered Accountants  
 1/74, Krishna Kunj, R. A. Kidwai Road  
 King's Circle, Matunga (C. Rly)  
 Mumbai - 400 019

## REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited  
 C-13, Pannalal Silk Mill Compound  
 L.B.S Marg, Bhandup (West)  
 Mumbai - 400 078  
 Tel: (91 22) 2596 0320  
 Fax: (91 22) 2596 0329

Investor Grievance Email:  
 mtel.ipo@linkintime.co.in



# OUR PROCESS CREATES WINNERS

## SSC 2014 TOPPERS

With Robomate, I could study any time any where and revise till I became perfect. Besides my teachers, Robomate has been my study friend and I owe my scores to Robomate.

Mahesh Tutorials has the best faculty who stood by me through out the year and coached me during the preparations and exams. I owe my success to them.

**HIGHEST IN MUMBAI**  
**Siddhinita Wandekar**  
**97.4 %**

**HIGHEST IN MUMBAI**  
**Neha Patil**  
**97.4 %**

**Anand Maheshwari**  
**97.2 %**

**Payal Rewale**  
**97 %**

**Nikhil Abhyankar**  
**97 %**

**2055 STUDENTS ABOVE 90%**

## SCIENCE TOPPERS

## COMMERCE TOPPERS

**Shubham Goel**  
**6<sup>TH</sup> IIT-JEE ADVANCED ALL INDIA RANK**

**Pranali Kanere**  
HSC- 96%

**Vishal Goyal**  
IIT-JEE Advanced AIR 102

**Shubham Goyal**  
AIPMT- 31<sup>ST</sup> AIR

**Chitrakshi Nagpal**  
AIPMT- 61<sup>ST</sup> AIR, AIRMS- 30<sup>TH</sup> AIR

**1<sup>ST</sup> Kruti Shah**  
**ALL INDIA RANK**  
**CA FINAL 2013**

**93.54%**  
Himanshi S.

**93.38%**  
Janni V.

**93.38%**  
Shalini J.

**93.07%**  
Vistrent V.

**93.23%**  
Simran J.

**Std. XII 2014 TOPPERS**

### Std. XII 2014 RESULTS

**3264**

Students scored  
90% Agg and above

**6925**

Students scored  
80% Agg and above

### SPECIAL RESULTS

**53** KVPY SELECTIONS - STAGE I | **31** NTSE SELECTIONS - STAGE I | **14** RMO SELECTIONS - STAGE I

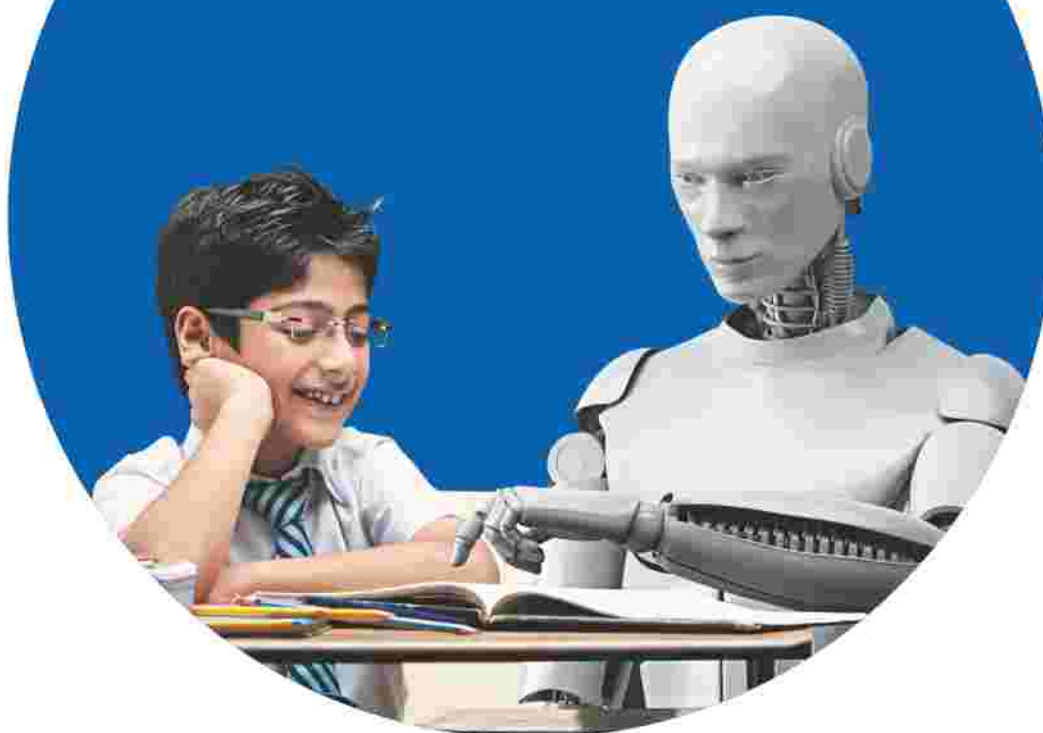
**30** SCIENCE OLYMPIAD SELECTIONS - STAGE I | **12<sup>TH</sup>** RANK JUNIOR ALL INDIA

### SPECIAL RESULTS

**69** STUDENTS SCORING 90% & ABOVE | **158** STUDENTS SCORING 80% & ABOVE | **382** STUDENTS SCORING 65% & ABOVE

**848** STUDENTS SCORING 80% & ABOVE | **1,297** STUDENTS SECURED DISTINCTION | **2,456** STUDENTS SECURED FIRST CLASS

## LEARNING THE NEW AGE WAY



### IN THE BUSINESS OF ENHANCING RESULTS, RESULT MATTERS.

**Students today face a lot more competition for getting admission in an institution and/or discipline of their choice. Given the increased thrust on getting the fundamentals right and the need for quality education, coaching classes have fast become the lifeline of students over recent years.**

As a leading education services provider, we have revolutionized the way students are shaped and supported in putting up their best performance and coming through with flying colors.

Being in the business of enhancing students' results since 1988, we have stayed focused on delivering good results to our stakeholders – students, parents, employees, faculty, partners, shareholders and community at large. Innovative content, technology enabled teaching, partnership led outreach and excellence focused strategy have been the levers of our capability building. In the process, we have played a pivotal role in streamlining the structure and dynamics of the industry we operate in. After all, **in the business of enhancing results, our own result matters!**



## SUBSTANCE MEANS BETTER RESULTS

While the teacher and what is being taught in a classroom remains the same, the varied level of comprehension germinates from varied level of intellect, interest and inclination among students. Recognizing this, at MT Educare we have developed a student-centric approach to initiate them on holistic understanding of fundamentals. Today, MT Educare boasts of its unique content and pedagogy that simplifies the complex subject being taught to make learning interesting and bolsters students' confidence.

Our 'Flipped Classroom' concept has now led to inversion of roles between Classroom and Homework, making learning more interactive.

The quality of teachers, measured in terms of competence, passion and inter-personal and in-group communication skills forms another competitive substance in our business. At MT Educare, we deploy a structured approach in selecting the right teachers and support them with periodical training on contemporary methods of teaching.

The Company has developed in-house capabilities to offer content on multiple modes – in Class Room, Printed Form, Online through apps and Offline content through Pen drive /SD cards.

## IMPLEMENTING FLIPPED CLASSROOM

Student studies at home & comes with basic preparation

Teacher teaches in the classroom

Discussion, Learning & Evaluation happens in the classroom

### Advantages

- ♦ Active learning in classroom
- ♦ Increased ability of learners to control pace
- ♦ 21st century technology allowing greater visual impact
- ♦ Increased focus on higher order skill and critical thinking
- ♦ Increased classroom interaction



# INNOVATION MEANS NEWER RESULTS

**In the fast evolving world, every decade marks a generational evolution. Average student of today is way ahead of his counterpart couple of decades ago. Technology has impacted everything around us including education. Add to these the global living and working, teaching today can't afford to be done the same way it was some years ago.**

At MT Educare, we have been at our innovative best in applying mind and technology to create newer vistas of learning for more and more students. We have developed many innovative teaching methodologies and platforms such as integrated classrooms, interactive virtual classrooms (INK), web portals &

apps (Robomate) and education material for self learning, to create an engaging learning environment. Flipped Classroom is one such pedagogy that encourages active learning through greater classroom participation from students.

The Company has developed contemporary learning classrooms equipped with digital learning aids as well as state-of-the-art studio for recording digital content and modern technology infrastructure capable of supporting thousands of students at any given point of time.

MT Educare through its INK model optimally leverages the benefits of internet by developing a two way communication channel between faculty and students along with an array of supporting aids such as graphics, sound, and pictures that facilitate better understanding of the students.

## ANYTIME ANYWHERE LEARNING

The Company has developed Robomate apps to bring to fruition its dream of 'Anytime & Anywhere Learning'. The app provides online access to lectures through Android or Windows web-enabled devices and also through pen drives and SD cards. It is an excellent tool to study and revise at home.



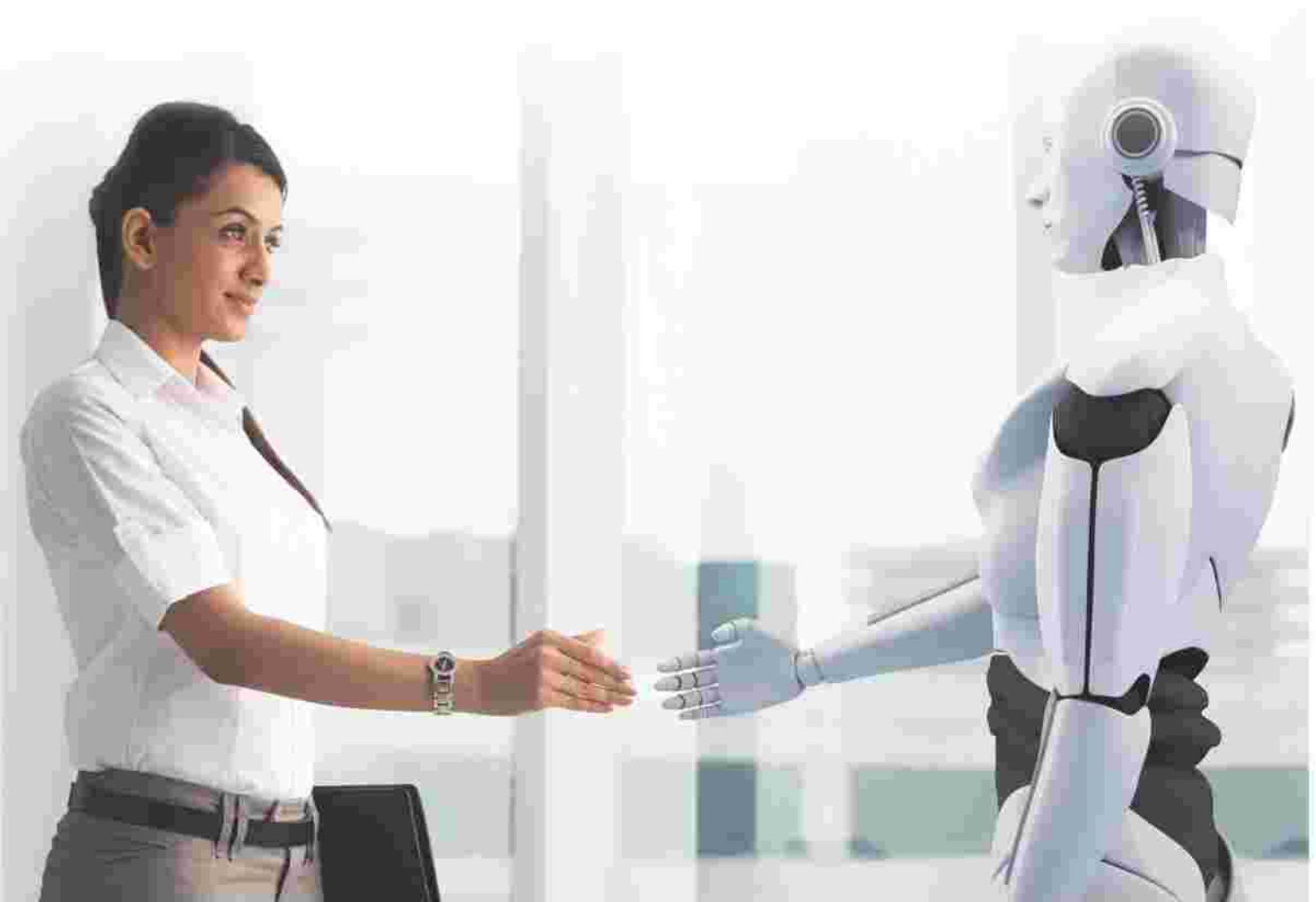
INTERACTIVE NETWORKED KNOWLEDGE

## PARTNERSHIP MEANS BIGGER RESULTS

**Leveraging strategic alliances and partnership to increase its outreach, entering newer markets and expanding service offerings remains the cornerstone of the Company's growth strategy.**

The Company has tied-up with fourteen colleges across Karnataka to provide management services and test preparation services to its students and plans to tie-up with a total of 30 colleges in Karnataka by 2017-18.

During FY13, we made strategic investment into Lakshya, a leading coaching institute specializing in engineering entrance exams. Lakshya, when acquired, was based out of Punjab, and had the highest IIT-JEE selection ratio in its focus cities such as Patiala.





# SOUND STRATEGY MEANS PREDICTABLE OR POSITIVE RESULTS

**Four core elements of MT Educare's strategy viz. asset light business model, strong focus on national exams, technology driven growth through Robomate and pan-India presence have helped the Company to deliver an all-around outstanding performance, despite many headwinds.**

The Company uses three guiding principles to select its focus areas viz. sizable pan-India market, consistent curriculum and synergies with existing service domains. National exams such as IIT JEE/Medical, CA, CAT, CMAT fit in well on the above-mentioned parameters. The Company has also increased its focus on national boards such as CBSE & ICSE.

The Company has carefully assessed its existing product portfolio along with its focus markets and has developed a strategic roadmap to prudently take its products to markets in

the most effective manner. After thorough due-diligence on the demand potential of its coaching services across key Indian markets along with its resource capabilities, the Company in a meticulous manner has launched its services in the most deserving markets.

The Company in line with its strong belief that technology will play a critical role in determining the future of education sector has been amongst the early ones to embrace its benefit and to grow its pan India presence. Through its unique product called Robomate, the Company has developed an exhaustive mix of online and offline study material accessible through apps, pen drive / SD cards across all leading mobile/tablet / desktop operating systems.

Courtesy its asset-light business model, the Company generates high levels of free cash flow, operates on almost negative working capital and expands with minimum capex. On the Company receiving fees up-front from the students, it is treated as deferred revenue and revenues are booked as and when the services are delivered. This in turn helps the Company generate high return on equity (RoE).

## FOUR-PRONGED GROWTH STRATEGY

### Focus on National Level Exams

- Focus on nationwide common entrance and professional examinations such as CBSE, CA, IIT JEE Advanced, JEE Mains, CAT, CMAT etc.

### Geographical & Vertical Risk Management

- Concentration on geographical future growth in rest of Maharashtra for School section
- Expansion in North India and Karnataka for Science & Commerce

1

3

2

4

### Robomate

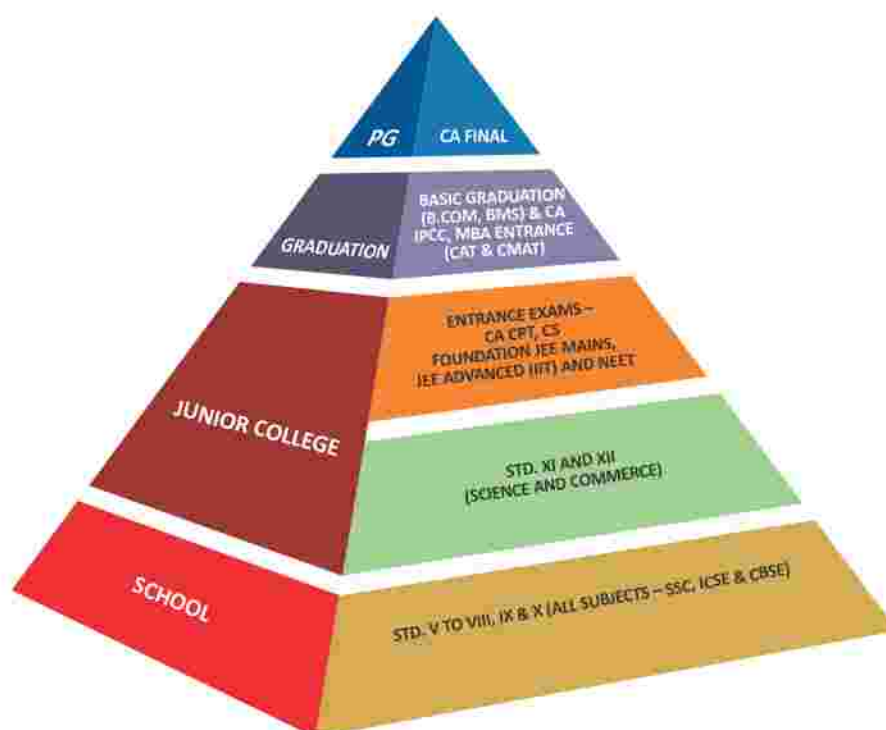
- Technology driven growth through sale of digital content for higher scalability and allowing the company to tap newer geographies across India

### Asset light college tie-ups

- Entry and expansion with college tie-ups for test prep in college campuses
- Asset light with lower infrastructure spend

## WHO WE ARE & WHAT WE DO

Established in 1988, MT Educare is one of the leading education support and coaching services provider. Headquartered at Mumbai, it operates out of 136 coaching locations across seven states and union territories in India. The Company provides education support to middle school and high school students and specialized coaching for select national level entrance examinations. Backed by a strong faculty of more than 1,100 well-trained teachers, MT Educare leverages contemporary technology aids and indigenously developed teaching methodologies to provide sound knowledge and understanding of the subject matter to its students.



## OUR SERVICE VALUE CHAIN

Service Offered	Education Support		Specialized Coaching		
Target Segment	Vth to VIIIth standard	(Xth and Xth standard)	XIth and XIIth standard (Science)	XIth and XIIth standard (Commerce)	Graduates / Post Graduates
Key Instruction Medium	Online	Classroom	Classroom	Classroom	Classroom
Focus Subjects/ Exams	Key Subjects in CBSE, ICSE, Maharashtra, Gujarat and Karnataka State Board	CBSE, ICSE, Maharashtra, Gujarat and Karnataka State Board	State level Board examinations, Key engineering and medical entrance exams (JEE Mains, JEE Advanced, & NEET)	State level Board examinations, CA-CPT, CS-Entrance	CA-IPCC, CA Final, CS-Executive, MBA Entrance i.e. CAT, CMAT
Content	Sale of Content under 'Robomate' brand				

## Vision

GREAT - Global Reach  
in Education and Training

## Mission

To emerge as the premier holistic and accessible education provider that helps students from all walks of life empower their mental faculties through building a strong and resilient foundation.

## Value Drivers

**Integrity:** MT Educare wholly subscribes to the integrity of the education process by attracting the most exciting talent and providing them with the analytical and training tools and a clear vision of the big picture to ensure the drive to constantly set new benchmarks. We take full responsibility of our actions at all times and always ensure that we retain our position as employer of choice in this industry.

**Mentoring:** MT Educare constantly mentors every team member so as to ensure they lead happy lives and excel professionally.

**Trust:** MT Educare recognises that it holds the trust of parents and wards and at all times ensures that this responsibility stays in clear focus.

**Team Work:** MT Educare focuses extensively on the building of team spirit within the organisation through process implementation and human intervention. We know that the team is always much greater than the sum of the individual parts.

**Innovation:** MT Educare's business ethos is innovation. Our work involves constantly creating newer methods to meet our Core Mission.

## GEOGRAPHICAL PRESENCE



- Maharashtra (113)
- Karnataka (13)
- Tamil Nadu (2)
- Gujarat (4)
- Punjab & Chandigarh (3)
- Haryana (1)

### No. of Locations over the years

FY	No. of Locations
FY14	136
FY13	122
FY12	114
FY11	103



## OUR KEY BRANDS

**MAHESH TUTORIALS**

**SCHOOL SECTION**



THE ACADEMIC PARENTS OF YOUR CHILD!



INTERACTIVE NETWORKED KNOWLEDGE

**MAHESH TUTORIALS**

**SCIENCE**



Don't just learn... UNDERSTAND!



By IITians, For IITians



**MAHESH TUTORIALS**

**COMMERCE**



Discover the new DIMENSION of Commerce



Transforming Youth for Experienced Entrepreneurship



## OUR NEW INITIATIVES

**Karnataka PU Model:** Karnataka has emerged as a prime market and a hub for medical and engineering preparatory examinations in India. The Company has already tied-up with fourteen pre-university colleges and is in advanced discussion with many others to provide a mix of coaching services and college management services. The pre-university colleges are co-branded. The model doesn't demand heavy upfront investment as the college campuses are used for conducting classes on a revenue share basis. The number of students serviced under this model has grown more than four folds over the past 2 years, from 626 in FY12 to 2,753 in FY14. The Company plans to aggressively follow this model for its future growth and plans to tie-up with 30 colleges in Karnataka by the financial year 2017-18.

**Karnataka PU (Owned College):** The Company has also constructed its own 75,000 sq.ft. college campus with a seating capacity of over three thousand students along with a 64,000 sq.ft. hostel with a capacity to accommodate 900 students in Mangalore, Karnataka. The Company started using the campus during the financial year and has been able to achieve a capacity utilization of close to 50% in the first year of operations itself. Currently, in addition to basic coaching and management fees, the Company earns revenue through rental income of hostel & college in Mangalore. The Company is planning to sell and lease back its campus to free up the cash and deploy the proceeds in the business to fuel its expansion plans.

**Lakshya:** Lakshya provides coaching for engineering and medical entrance to aspiring science XIth and XIIth class students in North India. Lakshya is already a very well established brand in the state of Punjab and post acquisition of Lakshya, MT Educare has also launched coaching for IIT Entrance examinations in the state of Maharashtra.

The Company today is one of the few coaching companies that can provide a combined training for both state board exams and engineering entrance exams under single roof. In addition, Lakshya's acquisition helped Company to expand into newer geographies such as Northern India, where it can sell its other training service and solutions.

**Robomate:** Robomate is helping MT Educare accomplish multiple objectives through a single effort. Robomate is an in-house developed educational app that allows 'Anytime and Anywhere Education' by providing 24X7 access to subject content such as recorded lectures (Audio & Video), study notes and question papers through web-enabled electronic devices such as tablets, smartphones & laptops/desktops. Through Robomate MT Educare has transcended geographical boundaries to reach to regions where it still doesn't have a coaching centre and has created exhaustive learning aids that can match individual's learning speed.

**Integrated Network Knowledge (INK):** INK is a scalable and interactive communication model that blends best of classroom coaching and Robomate. In this model, a teacher, using internet provides a near personalized online coaching class to 8-10 students simultaneously. The teacher leverages contemporary learning aids such as graphics, sound, pictures to provide holistic understanding to their students.

MT Educare has used this model to foray into coaching Vth to VIIIth standard students covering all key subjects across for ICSE, CBSE and Maharashtra State board and is equipped to coach 6,000 students at a given point of time through its 24 terminals.

INK model can be quite scalable. Also the Company creates a ready pipeline of potential IXth & Xth students for its school section.



# FINANCIAL HIGHLIGHTS

## Key Figures (Consolidated)

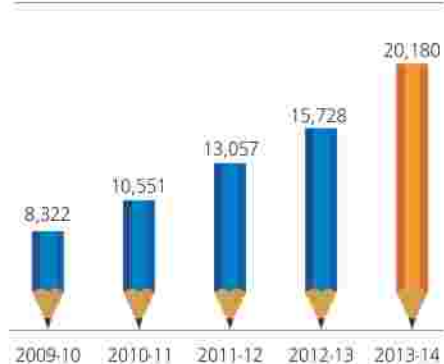
(₹ in Lacs)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
<b>OPERATING RESULTS</b>					
Total Operating Income	20,180.27	15,728.14	13,057.35	10,551.04	8,321.58
EBITDA	4,234.83	2,932.74	2,310.39	1,901.63	1,246.74
EBITDA Margins (%)	21.0	18.6	17.7	18.0	15.0
Profit Before Tax	3,189.23	2,538.52	1,920.72	1,282.22	696.30
PBT Margin (%)	15.8	16.1	14.7	12.2	8.4
Profit After Tax	2,103.28	1,804.67	1,323.19	811.52	475.33
PAT Margins (%)	10.4	11.5	10.1	7.7	5.7
Dividend Payout (Inclusive of dividend distribution tax)	1,047.41	925.06	206.84	163.51	-
Retained Profit	1,055.87	879.61	1,116.35	648.01	475.33
<b>FINANCIAL POSITION</b>					
Paid up Capital	3,978.22	3,954.79	3,517.29	3,435.10	104.09
Reserves	7,217.52	6,159.60	2,194.55	1,325.67	4,009.50
Shareholders' Funds	11,195.74	10,114.39	5,711.84	4,760.77	4,113.59
Short-term Investments (Liquid)	1,127.99	1,531.25	1,068.34	2,270.30	1,783.81
Cash & Cash Equivalents	979.94	2,419.78	1,762.26	2,065.12	1,188.03
Capital Employed (Excluding cash and current investments)	9,087.81	6,163.36	2,881.24	425.35	1,141.7
<b>PERFORMANCE INDICATORS</b>					
Earnings Per Share (₹)	5.29	4.55	3.76	2.36	1.52
Dividend Per Share (₹)	2.25	2.00	0.45	0.40	-
Book Value per Equity Share (₹)	28.14	25.58	16.24	13.86	395.18
Return On Shareholders' Funds (%)	18.79	17.84	23.17	17.05	11.56
Total Number of Students Serviced	80,829	70,828	68,017	58,300	52,726
Students Serviced Under School Section (Nos.)	34,841	33,224	31,774	29,227	27,323
Students Serviced Under Science Section (Nos.)	18,595	13,511	14,524	11,527	11,240
Students Serviced Under Commerce Section (Nos.)	25,178	22,088	20,236	17,546	14,163
Students Serviced Under MBA Section (Nos.)	2,215	2,005	1,483	-	-
Pan India Footprints (Nos.)	136	122	114	103	97

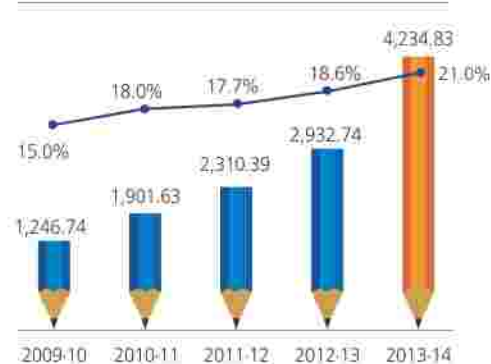


## Key Performance Indicators

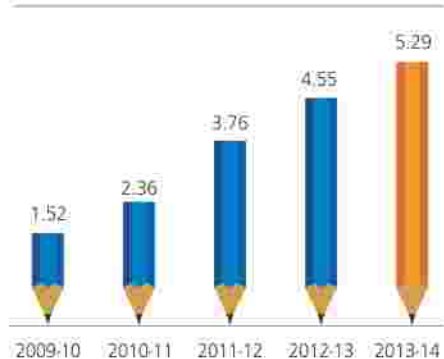
### Operating Revenue (₹ lac)



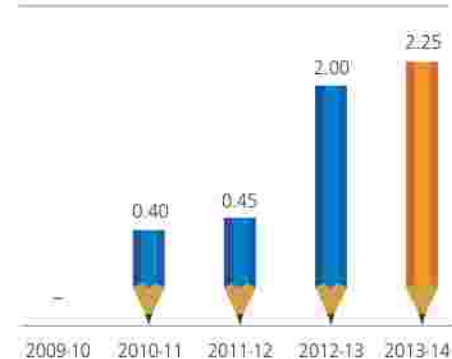
### EBITDA (₹ lac) & EBITDA Margin



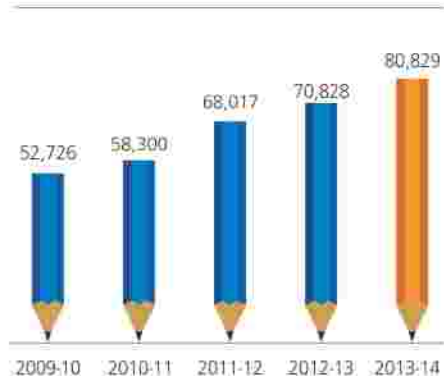
### Earning Per Share (₹)



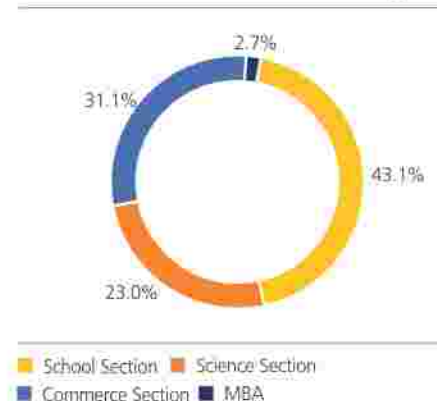
### Dividend Per Share (₹)



### Number of Student Serviced



### Stream Wise Student Split



# CHAIRMAN'S MESSAGE

*Dear Shareholders,*

The financial year 2013-14 was yet another exciting year in our journey of building a world-class education services company. While the economic environment continued to remain somber, we stayed rooted to the cause of enhancing the learning and knowledge quotient of our students. We deepened our influence on focused service segments and extended their reach by launching them on newer platforms and in newer cities. We also launched a slew of new service offerings that expands our presence across the education value chain.

Technology promises to be a game-changer for the education industry. The spread of digital universe remains fastest among youth of today owing to the rapid spread of broadband and smart phones. Conventional 'chalk and talk model' of teaching has been replaced by technology enabled learning models and advanced teaching methodologies. In addition to significant operational advantages, technology provides considerable flexibility in designing courses befitting individual's learning speed. It has been our consistent endeavor to set new benchmarks in education industry through greater technology adoption. We have developed an online educational app 'Robomate' that provides 24x7 anytime, anywhere access to an array of learning aids such as video lectures, questions & answers (Q&A), paper presentation pattern, understanding concepts etc. We also launched an online program "INK" specifically developed for class V to class VIII students across CBSE, ICSE and Maharashtra Board. This program not only extends our existing engagement with the school segment but also builds a more robust pipeline for downstream segments.

Despite the economic slowdown, we saw a healthy increase in our topline aided by increase in both enrollment and average realization per student during the fiscal. Our consolidated revenue grew by 28.3% to ₹ 201.8 crore. A total of 80,829 students were serviced during the year, an increase of 14.1% as compared to the last financial year. Higher operational efficiency resulted in expansion of EBIDTA margins by 240 bps. EBIDTA during the fiscal grew by a strong 44.4% to ₹ 42.3 crore against ₹ 29.3 during the last financial year. Our profit after tax grew at a rate of 16.5% to ₹ 21.0 crore against ₹ 18.0 crore during the last fiscal. The board has also recommended and paid a dividend of ₹ 2.25 per share.

With the ever-increasing competition and fast rising aspirations of over 200 million students enrolling every year in K-12, our constant endeavor is to create superior quality products and services which will fuel our future growth. Our multi-platform access capability equips us to establish the most optimal communication channel befitting the unique needs of our students. Through our unique mission called "Literate India", and through effective usage of Robomate, we envision providing every child with a quality education at a reasonable cost.

As I conclude, I would like to thank our students, employees, partners, investors and other stakeholders for their continued support and patronage and invite them to accompany us in even more exciting future ahead.

Sincerely yours,

**Mahesh Shetty**



# CSR AT MTEDUCARE

**MT Educare with a vision to reach out to the less privileged children in the society and to take care of their educational needs started Global Education Trust (GET). Through this trust the Company has been participating in various activities to help in developing a better living society.**

**MT Educare has also tied up with various NGOs such as Aasra, Ehsaas, Amcha Ghar, Akanksha, Balkalyan Nagri, Jyot Sanstha, Navjeevan Aarogya Sanstha, Abhyudaya Foundation, Vanvasi Kalyan Ashram, Save the Children, Sa Ni Sa and Justice Chainani Old Age Home.**

## BMC School Project

The Company conducts several training sessions for class X students in various BMC schools. GET assisted by a team of 500 teachers trained nearly 9,000 BMC school students across 135 schools and providing on an average 200 hours of training to every student. This is significantly higher than 810 students trained in 2010-11. The program leveraged modern education techniques such as real time virtual classrooms to educate students. The schools witnessed remarkable improvement in the results of their students. The percentage of students clearing the exam went up from 38% in 2010-11 to 71% in 2013-14. This included 23 students who scored 90% and above, a record in itself.

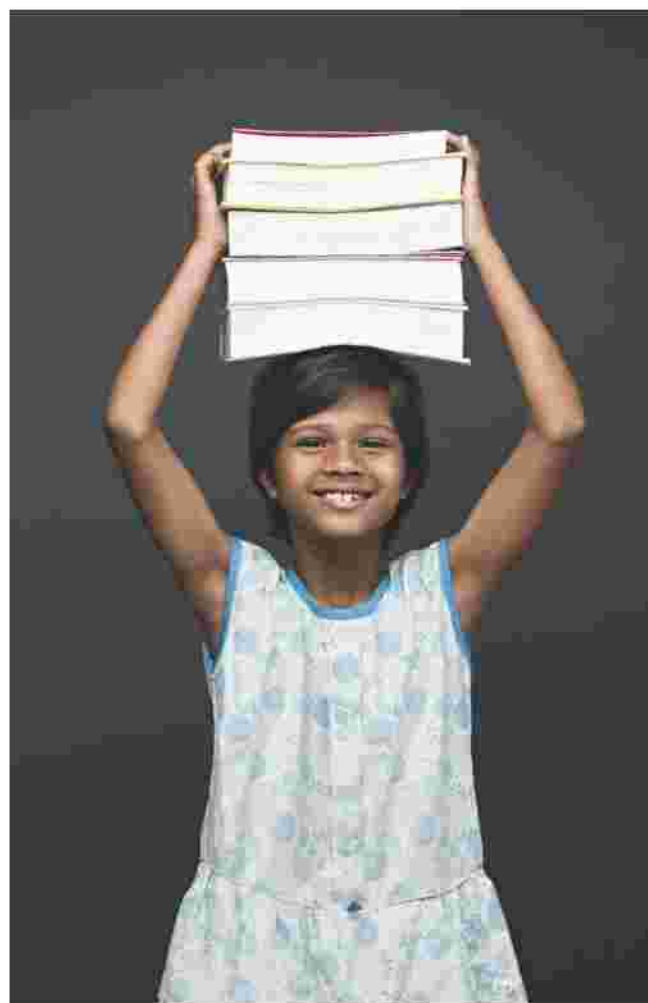
The Company also provides a completely pro bono 24 hours exam helpline, called "Humse Puchho", to all students in the state of Maharashtra to clear their doubts before board exams. Under this initiative a subject teacher is made accessible through a simple phone call to address student queries and counsel them incase needed. The students were also allowed to email their queries.

## Uttarakhand Project

During the fiscal, India faced its worst natural disaster since 2004 tsunami, which resulted in devastating floods and landslides in the state of Uttarakhand and a few adjoining areas. According to the Uttarakhand state government estimates over 5,700 people were "presumed dead" and well over 70,000 were believed to have been displaced. Many schools were partially or fully damaged and many others were declared unfit to use.

The Company identified restoration of damaged schools with adequate provision for drinking water and sanitation to be the key priority areas.

To restore the confidence of the children and to give them adequate study infrastructure, MT Educare provided sheds and benches to a few schools. The Company procured these through a local vendor, which in-turn created work for local population. MT Educare also initiated construction of two schools completely from scratch. The Company provided many students with stationary to study, initiated teacher training programs and arranged funds for part-payment of the salaries of the staff of a few of the schools.





# MANAGEMENT DISCUSSION & ANALYSIS

*Established in 1988, MT Educare is one of the leading education support and coaching services provider. Headquartered at Mumbai, it operates out of 136 coaching locations across seven states and union territories in India. The Company provides education support to middle school and high school students and specialized coaching for select national level entrance examinations. Backed by a strong faculty of more than 1,100 well-trained teachers, MT Educare leverages technology and indigenously developed teaching methodologies to provide sound knowledge and understanding of the subject matter to its students.*

## ECONOMIC OVERVIEW

The macro-economic environment, both global and domestic, continued to remain somber for most part of the year. While the latter half of the year 2013 did see further strengthening of the US economy, most other advanced economies witnessed slow recovery during the year. Most emerging markets and developing economies, including India, on the other hand saw continued moderation in their growth momentum. The global growth during the year 2013 moderated further from 3.2% in 2012 to 3.0% in 2013 (Source: IMF). India's economic growth, though picked up marginally from a decadal low of 4.5% it hit in financial year 2012-13 to 4.7% during the financial year 2013-14 (Source: CSO), it still was appallingly low compared to its potential.

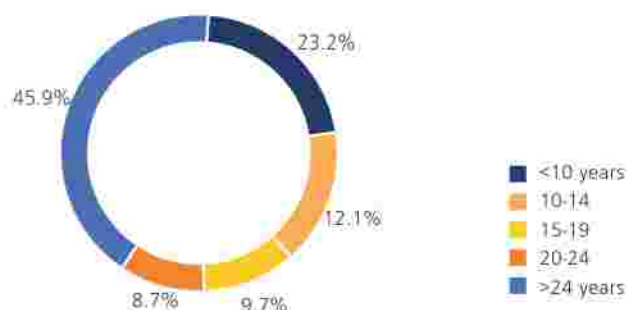


Going ahead both global and domestic growth is expected to improve gradually. IMF projects global growth to increase to 3.6% and 3.9% during the year 2014 and 2015 respectively while Indian economic survey projects Indian economy to grow by 5.4-5.9% and 6.4% during the financial year 2014-15 and 2015-16 respectively. With considerable improvement in most macroeconomic indicators such as current account deficit, fiscal deficit and with a stable decisive government at the center, the demand for higher education and specialized courses should increase.

## INDIAN EDUCATION SECTOR

Over the next few decades, while the world would continue to age India stands to benefit from its huge demographic dividend. With close to 450 million of its population falling in the age bracket of 5-24 year, India will add nearly a third to the global workforce by the year 2020.

### Population Split by Age Groups



While many believe that India would be the future knowledge capital, for India to live up to this expectation, it would need to considerably uplift its current education standards. The huge size of population falling in above mentioned age bracket, nearly one and a half times the size of the US population, highlights both the opportunity and herculean task that Indian education system today is grappling with. The current Indian knowledge levels are a far cry from the high excellence that the global economy demands. India needs to make considerable investment to equip its young population with the required education and skills so that they can contribute for the development of the global economy. With this understanding, the government has significantly enhanced its allocation for education sector.

In the 12th five-year plan, the government has enhanced its general budget support for education sector by 155% to ₹ 4.54 lac crore against ₹ 1.77 lac crore in the 11th plan. The allocation for Department of School Education and Literacy has been enhanced by 150% to ₹ 3.43 lac crore against ₹ 1.37 lac crore in the 11th plan.

Annual Budget allocations (₹ crore)	2014-15	2013-14
Total budgetary allocation	83,771	65,867
Sarva Shiksha Abhiyan (SSA)	28,635	27,258
Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	4,966	3,983
Rashtriya Uchcha Shiksha Abhiyan (RUSA)	2,200	00,000
Mid-Day Meal Scheme (MDM)	13,215	13,215
Technical Education (incl assistance to IITs, IIMs & NITs)	6,338	

Source: Census 2011

The planning commission has introduced a scheme to add 2,500 schools under PPP mode. Through this scheme, it targets to provide world-class education to 40 lakh children, out of which 25 lakh will be from the underprivileged category.

In 2014-15 budget, the government has increased budgetary allocation for the sector by 12.3% to ₹ 83,771 crore. The government has allocated ₹ 500 crore for setting up of 5 new IITs and 5 new IIMs and another ₹ 500 crore for setting up 4 new AIIMS. The increase in intake by these institutes should help to increase the number of new applicants. The government has also introduced Pandit Madan Mohan Malviya Teachers Training Programme and allocated ₹ 500 crore to help teachers learn and use contemporary learning aids and techniques.

While the government has enhanced its allocation towards education sector, it remains constrained by high fiscal deficit and its lack of expertise. Given the high long-term growth potential of the sector, there been considerable private sector interest in the segment, especially in the training and coaching segments. They have also emerged as the favored destinations for Foreign Direct Investment (FDI) inflows into the country. As per Department of Industrial Policy and Promotion, the sector has attracted an investment of ₹ 4,875.54 crore between FY2000-01 and FY2013-14.

## Coaching Industry

Coaching industry is the largest components of non-formal education industry and forms well above 60% of the non-formal market. It includes pre-schools, vocational training, Multimedia / ICT, corporate training and stationary. The coaching industry is highly fragmented, unorganized and relatively less regulated. ASSOCHAM, one of India's leading trade associations estimated the size of India's private coaching industry at about USD 23.7 billion in 2013 and expects it to grow to USD 40 billion by 2015.

The Coaching industry can broadly be segregated into subject based tutorial coaching and entrance exam preparation coaching. Subject based coaching is primarily for K-12 classes. The size of subject based tutorial coaching is estimated at 80% of the coaching industry while entrance exam preparation coaching forms the remaining 20%. The entrance exam preparation coaching can further be segregated into preparation coaching for engineering, medical and MBA examination. Around 60% of this market is specific to preparation for engineering entrance exam, around 23% for medical entrance exams and the remaining for post graduation test preparations led by MBA entrance exams.

Commonly used teaching platforms include classroom based teaching, online virtual classroom, portal-based learning and distance learning.





## Subject Based Coaching

While there has been significant improvement in India's literacy rate over the last three decades, it still remains much lower relative to India's global peers. The low overall and specifically female literacy rate in 1981 and earlier highlight the fact that many of the current school going children are first-generation learners and would need support to compete in today's highly competitive environment.

Year	Literacy Rate (%)		
	Persons	Males	Females
1981	43.6	56.4	29.8
1991	52.2	64.1	39.3
2001	64.8	75.3	53.7
2011	74	82.1	65.5

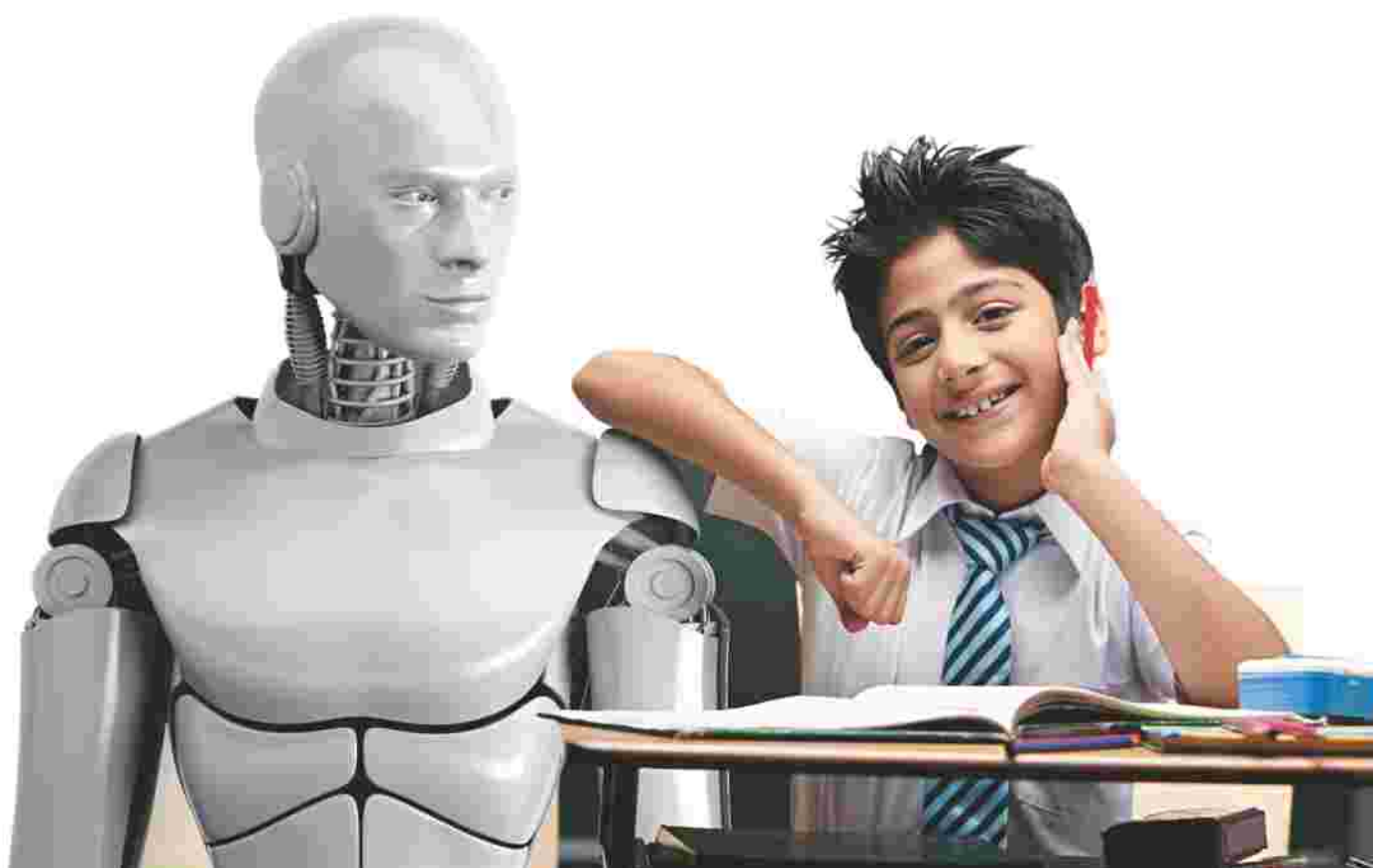
Source: Census 2011

As per a leading research organization Technopak, by the year 2018 the new enrollment into K-12 would increase by 34 million to 351 million seats. In addition to the size, another key challenge that Indian education system needs to address is the quality of institution and individual's learning levels. As per a report by the Centre for Education Growth and Research only 60 percent of children in class Vth can read a class IInd text, while

only 40 percent can do simple divisions. The report also states that the Indian education system is short of faculty members at least by 30-40%. This along with several other factors such as inadequate existing school infrastructure, high student to teacher ratio, inability of teachers to give personalized attention, lucrative job opportunities, working parents, changing curriculum, growing competition amongst students and shortage of quality institutions have led to strong demand of supplement education institute.

## Entrance Exam Preparation Coaching

The education sector is also witnessing increasing demand for specialized test preparation coaching. Test preparation mostly targets individual aspiring to clear national level exams such as engineering (IIT JEE Mains and JEE Advanced), medical (AIPMT) and post-graduation such as Common Admissions Test (CAT) exams. The curriculum and training required for these exams is generally different from those imparted in school or colleges, hence almost all candidates who aspire to get selected generally opt for a leading coaching institute. Close to 60% of the demand from this segment is for engineering test preparation. Close to 1.4 million people appeared for JEE (Main) in 2014, a growth of 7.6% over 2013. The intake of various engineering colleges is estimated at around 15 lakh while the intake by various management institutes is estimated at 3.5 lakh.





## FINANCIAL PERFORMANCE REVIEW

The consolidated financials for the year 2013-14 are not comparable to the consolidated financials for the previous year 2012-13 because the consolidated financials for the financial year 2013-14 include financials of Lakshya Forum for Competitions Pvt. Ltd (hereinafter referred to as LFCPL), 51% subsidiary of the Company which has been consolidated with effect from April 01, 2013.

### Company Operations

#### School Division:

During the fiscal the Company expanded its presence across the school segment by adding an Interactive Networked Knowledge (INK) platform targeting students in classes Vth to VIIIth. The Company targets students from CBSE, ICSE and state boards for this segment, in line with its brick and mortar school model. During the fiscal the Company expanded the geographical reach of the school division in other cities in Maharashtra such as Pune and Kolhapur.

The number of students serviced under school segment also expanded by nearly 5% from 33,224 last year to 34,841 in FY14.

#### Science Division

Pursuant to the Share Purchase Agreement signed with the existing shareholders of LFCPL, the Company acquired 51% stake in LFCPL effective April 01, 2013. This gave the Company a foothold in the North-Indian IIT and medical entrance exam test preparation market along with the required expertise and course content to launch JEE Advanced coaching in West and South India.

The Company started batches for JEE Advanced in Mumbai and Pune under the brand 'Lakshya', for the first time in its history under the subsidiary, Lakshya Educare Pvt. Ltd, which represents a significant step forward since the Company is now able to provide coaching for all entrance exams in respect of engineering and medical streams. Further, the Company has launched Foundation courses for students from Std. VIIIth to Xth to prepare them for various competitive examinations like Olympiads, KYPY, NTSE etc. This is expected to boost the visibility in the Science division going forward.

Also, the Company operationalized 5 additional PU College tie-ups in the state of Karnataka at Belgaum, Bengaluru, Davangere, Gulbarga and Mysore, taking the total operational PU college tie-ups to 9 by the end of FY13-14.

The number of student serviced under this segment grew by 37.6% from 13,511 in FY13 to 18,595 in FY14.

#### Commerce Division

The Company has been focusing on developing Chennai as Center of Excellence for CA coaching. Along with impressive

growth in Chennai, The Company is witnessing significant traction of its key product, Std. XI-XII Combo in cities such as Mumbai and Pune. The Company plans to take this product to other cities in Maharashtra such as Nashik. The number of students serviced under this segment grew by 14% to 25,178 against 22,088 in the last financial year.

#### Geographical Reach

The total number of company operated coaching locations as of March 31, 2014 is 132 as compared to 118 one year back. The year on year comparison of geographical spread of locations is as follows:

Region	No. of Locations	
	FY2012-13	FY2013-14
Mumbai Metropolitan Region	94	97
Rest of Maharashtra	8	12
Karnataka	8	13
Gujarat	4	4
Tamil Nadu	3	2
Delhi	1	0
Punjab & Haryana	0	4
Total	118	132

#### Revenue

The consolidated operating income for the year 2013-14 grew 28.3% from ₹ 15,728.13 lakhs in 2012-13 to ₹ 20,180.27 lakhs on account of growth in overall fee income and higher other operating income attributable to sale of Robomate. The Company, for the first time in its history, has recorded retail sale of digital content under the brand 'Robomate' to in-house MT as well non-MT students, which has been included under the head 'Operating Income'. The consolidated fee revenue recorded a growth of 26.5% from ₹ 15,049.30 lakhs to ₹ 19,009.42 lakhs. The fee revenue (excl. revenue from LFCPL) has grown by 18.1% in the financial year 2013-14.

The average discount percentage increased from 9.7% in FY2012-13 to 10.0% in FY2013-14 as a part of rejig in pricing structures and marketing and sales strategies across products.

#### Direct Expenses

The expense to revenue ratio in respect of rent, rates and taxes expenses has fallen from 14.1% of revenue in FY12-13 to 13.6% in FY13-14 largely on account of higher capacity utilization in existing centers. The consolidated rent, rates and taxes expense (excl. LFCPL) for FY13-14 stood at ₹ 2,607.65 lakhs versus ₹ 2,214.55 lakhs last year, registering a growth of 17.8% vis-a-vis last year on account of addition of coaching locations, primarily in Maharashtra (excl. Mumbai Metropolitan Region) and Karnataka and hike in rentals in existing locations.

The student material and test expenses have increased by ₹ 352.80 lakhs to ₹ 1,091.90 lakhs. Similarly, the expense to revenue ratio has also increased from 4.7% of total operating revenue to 5.4% in FY13-14. This is attributable to changes in examination pattern and revision of Std. IXth and Xth syllabus in certain divisions of the Company.



Conversely, the Company's digital push to introduce digital content in the teaching methodology has resulted in savings in the teaching and administrative faculty cost (VF/AF cost), which has demonstrated 127 bps of reduction in VF/AF Cost to Revenue ratio.

### Employee Benefits and Other Expenses

The employee benefits expense of the Company has grown from ₹ 2,189.18 lakhs in FY12-13 to ₹ 2,855.76 lakhs in FY13-14. This translates to a year-on-year growth of 30.4%. However, on a comparable basis, the employee benefits expense (excl. LFCPL) has grown 14.2% to ₹ 2,498.98 lakhs. The increase also includes higher employee costs on account of shifting housekeeping staff to company payroll, which is also evident from lower housekeeping expense vis-a-vis last year.

Operational efficiencies have resulted in an improved expense-to-revenue ratio for Administration Expenses, recording a fall from 10.0% in FY12-13 to 9.1% in FY13-14 on a comparable basis, excluding LFCPL impact. Bad debts (including provision for bad and doubtful debts) have gone up on account of higher provisioning for government projects dues. Housekeeping and security charges have come down because of rationalization and sharing of personnel across divisions in same locations.

Marketing Costs for the Company has risen from ₹ 878.71 lakhs in FY12-13 to ₹ 1,269.64 lakhs, a growth of 44.5% over the last year. The contribution of LFCPL to the increase is ₹ 75.25 lakhs, excluding which the growth has been 35.9%. This has largely been on account of increased spend on corporate advertisement campaign aimed at brand creation during FY13-14. Marketing expenses stand at 6.3% of the total revenue in FY13-14.

### Capital Expenditure (Fixed Assets) and Depreciation

The gross block of tangible fixed assets grew from ₹ 9,480.34 lakhs in FY12-13 to ₹ 12,401.77 lakhs primarily on account on capitalization of Phase I and Phase II of Mangalore PU Hostel and College respectively in addition to continued expansion in coaching locations across India. As of March 31, 2014, the total capitalized amount of the Company's PU college and residential facility at Mangalore spread over 1.48 acres is ₹ 4,840.77 lakhs (including land). The net block of tangible fixed assets as on March 31, 2014 is ₹ 8,271.09 lakhs.

The Company's investment in development of digital content for use in MT classrooms and sale to MT and non-MT students saw the gross block of intangible fixed assets grow from ₹ 1,009.60 lakhs in FY12-13 to ₹ 1,368.67 lakhs. The net block of intangible fixed assets as on March 31, 2014 is ₹ 507.34 lakhs.

The Company's depreciation expense jumped 49.4% to ₹ 1,283.62 lakhs on account of higher depreciation on Mangalore PU College and Hostel, Robomate content and ICT capex for development of Robomate.

### Dividend

The Company paid two interim dividends of ₹ 1 and ₹ 1.25 per

equity share resulting in total dividend outgo (Inclusive of dividend distribution tax) of ₹ 1,047.41 lakhs.

### Other Balance Sheet Items

The net advance fees (current + non-current) have reduced to ₹ 3,403.42 lakhs in FY13-14 from ₹ 4,961.24 lakhs in FY12-13. This is on account of shift in payment pattern of students wherein the trend is tilting in favour of monthly installments versus higher proportion paying in full down payment earlier and longer payment periods for similar courses vis-a-vis last year.

The total loans and advances (current + non-current) have reduced to ₹ 3,935.16 lakhs in FY13-14 from ₹ 4,240.19 lakhs in FY12-13. The loans and advances as at March 31, 2013 included ₹ 600 lakhs paid to LFCPL shareholders as advance for acquisition of 51% stake and advances to creditors for capital assets of ₹ 522.38 lakhs. The comparable figure for advances to creditors as at March 31, 2014 is ₹ 72.96 lakhs. On the other hand, the loan to MT Educare Charitable Trust has increased from ₹ 215.58 lakhs to ₹ 557.49 lakhs as at March 31, 2014.

The trade receivables (net of provision for bad and doubtful debts) fell from ₹ 1,001.86 lakhs in the previous year to ₹ 890.50 lakhs in FY13-14.

### Cash Flow

The Company's cash flow from operating items after tax for the year ended March 31, 2014 is ₹ 1,647.51 lakhs. The influence of changes in operating current assets and liabilities on the operating cash flow is significant at ₹ 1,622.25 lakhs, mainly on account of accelerated shift in collection of fees from full down payment to monthly installment structure resulting in lower advance fees and due to increase in trade loans and advances.

The Company paid ₹ 600.00 lakhs to the shareholders of LFCPL as second installment of consideration for purchase of 51% stake in the company. The Company also witnessed a net cash outflow of ₹ 2,353.32 lakhs on purchase /sale of fixed assets. The total investing cash outflow for the year ended March 31, 2014 is ₹ 2,372.04 lakhs.

The Company recorded a cash outflow of ₹ 915.79 lakhs towards financing activities, which included an outflow of ₹ 930.86 lakhs towards dividend and ₹ 106.61 lakhs towards repayment of bank loans taken by LFCPL.

The total cash and cash equivalents fell by ₹ 1,613.32 lakhs from ₹ 2,419.78 lakhs as at March 31, 2013 to ₹ 953.74 lakhs as at March 31, 2014.



# MT EDUCARE'S SCOT ANALYSIS

## Strengths

- High brand recall
- Strong alliances and partnership
- Asset light business model
- Differentiated content & pedagogy techniques
- Organization wide technology enablement

## Challenges

- Maintaining consistent and high utilization levels
- Fragmented and unorganized market
- High dependence on star faculty

## Opportunities

- Quality challenges of existing education system
- High and increasing aspiration of students and parents
- Growing complexity of subjects and entrance exams
- High percentage of parents lacking expertise to properly educate their children, Increasing ratio of working parents
- Growing household income
- High priority assigned to education spend

## Threats

- Low entry barriers
- Regulation Changes
- Changes in examination patterns and syllabi

# RISK MANAGEMENT

The Company is part of a service industry and many of the risks are industry related. A few other risks are specific to the Company, the nature of its business and the geographies it operates in. For a fast growing organization of the Company's size with operations spanning across multiple cities and geographies, risk mitigation plan is a must. For the very same reason, the Company has developed a robust risk management framework to mitigate the impact of such risks and to ensure business continuity even under adverse circumstances. A few of these risks include:

## Competition Risk

Coaching business has low entry barriers and its high growth can attract many new players into the segment that can adversely impact Company's growth and profitability.

**Mitigation Plan:** The Company over the last 26 years has gained significant trust of the students and parents in most of the cities where it operates today. The Company, for each of its focus segments has developed strong brands and most of these have national following. Additionally, the Company has leveraged modern tools and technologies to develop unique processes and pedagogy techniques that are tough to emulate.

## Geographical Concentration Risk

Most of the Company's revenues come from a single city, Mumbai. Any adverse geo-political development may impact our revenues and profitability.

**Mitigation Plan:** The Company has been steadily expanding into newer cities and states. The percentage share of Mumbai to overall revenue has been on a steady decline. During the fiscal Mumbai's contribution to revenues was at 81.5% against 90.4% in FY13. Over the last few years the Company has made considerable investments in the state of Karnataka that should help it to further reduce dependence on Mumbai.

## Regulatory Risk

Any changes in central or state legislation can have a direct or indirect impact on Company's business operations and its growth potential.

**Mitigation Plan:** The coaching sector is currently not regulated by any central or state legislation. Any changes in the same would impact the industry as a whole. Company's multi-state presence and growing size helps in alleviating the impact of such risk.

## Obsolescence Risk

Company's inability to update the content, processes and technique in accordance with the changes in the industry and exam pattern may impact company's business.

**Mitigation Plan:** MT Educare strongly believes in leveraging modern tools and technologies to stay ahead of the industry. The Company's faculty periodically updates the content and is trained on new topics and teaching methodologies on regular basis.

## Attrition Risk

The Company has considerable dependence on its faculty members and their ability to educate students. Any sudden increase in attrition or any other reason that may impact their ability to deliver can impact its business.

**Mitigation Plan:** The Company understands that with the fast growth of industry some attrition is bound to happen. The Company has developed "faculty empowerment" model, wherein the faculty members are provided a role in the business and rewarded for their contribution in the growth. The Company has also set-up a trust where 680,966 equity shares funded by Company's Promoter, have been kept for faculty members and will be issued on the recommendations of our Company.

## Customer Attrition Risk

Any failure by the Company to retain or attract the desired number of students may impact its business and revenues.

**Mitigation Plan:** The Company understands that its business



heavily relies on reputation as well as the quality and popularity of the services provided by it and its visibility and perception amongst students. For the same reason, the Company has developed unique processes and pedagogic technique and regularly updates them.

## INTERNAL CONTROL SYSTEMS

With over 130 company operated coaching locations spread across 20 cities, robust control and scalable processes are vital for our growth and sustenance. The Company has developed robust system of internal controls that encourage optimal utilization of resources and conservation of assets. Periodical reviews done by the management at regular intervals ensure accuracy of financial statements and safety of assets. Company's Audit Committee consists of three non-executive directors and is chaired by an Independent Director. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve annual internal audit plan. In addition, the Audit Committee reviews issues raised by the internal as well as external auditors and ensures that internal policies are in compliance with the applicable standards and laws.

## HUMAN CAPITAL

The Company considers human capital as its most vital asset and understands that its success is strongly linked to its ability to hire, nurture and retain the industry leading talent. For the very same reason, the Company has been making several employees specific investments with an aim to create a more conducive work environment and a satisfied employee base. The Company provides multi-facet growth opportunities, allowing individual employee to choose growth path befitting their aspirations. The Company encourages its faculty members to take larger responsibilities such as administration and business development for different coaching centers helping them to accelerate their growth within the organization.

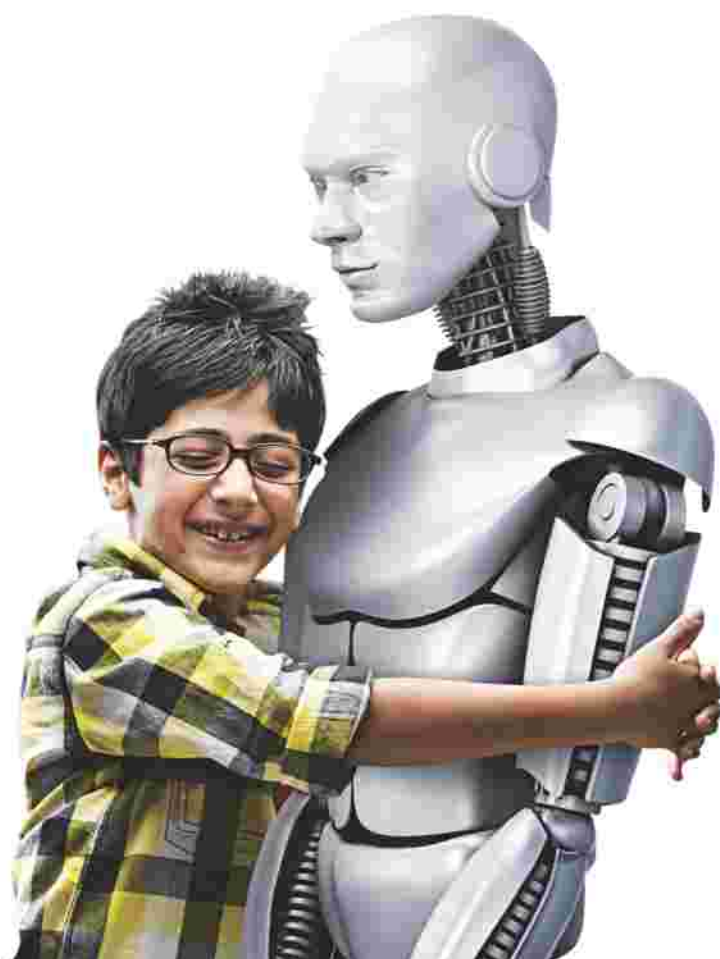
As on 31st March 2014, MT Educare had 1,067 employees. In addition, more than 1,100 well trained teachers were associated with MT Educare during the year.

## CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, MT Educare has undertaken several initiatives for the development and sustainability of its communities. The Company has initiated a charitable trust called Global Education Trust to reach out to the less privileged

children. Through this trust the Company provides medical assistance, education help and nutrition support to marginalized sections of society.

The Company has also associated with several NGOs for the holistic development of communities it operates in. The Company has been delivering lectures, completely pro-bono to more than 9,000 students of class Xth in BMC schools which in-turn has tremendously helped them to excel in their exams. The Company has also established industrial training centres in tribal areas and has been encouraging children over there to educate themselves. The Company provides vocational training to many deprived women helping them to regain their lost confidence.



# DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Eight Annual Report and audited accounts for the financial year ended March 31, 2014.

## FINANCIAL RESULTS

Following is the summary of financial performance of the Company during the year under review

(₹ in lakhs)

Particulars	2013-14	2012-13
Fees	17,077.17	14,759.14
Operating Income	1,201.36	654.26
Revenue from operations (net)	18,278.53	15,413.40
Total Expenses	14,025.44	12,477.53
Earnings before Interest, Tax, Depreciation, Amortisation and exceptional items	4,253.09	2,935.87
Less: Financial Expenses	0	0
Less: Depreciation & Amortization	1,205.08	833.50
Add: Other Income	264.10	483.01
Profit before exceptional items and tax	3,312.11	2,585.38
<b>Provision for tax:</b>		
Current tax	1,158.83	774.00
Current tax relating to prior years	9.15	(23.13)
Deferred tax	(55.23)	(1.38)
Profit after tax	2,199.36	1,835.89
Available for Appropriations	2,199.36	1,835.89
<b>Appropriation:</b>		
Interim dividends	895.25	793.30
Dividend distribution tax	152.16	131.77
Transfer to General Reserve	1,151.95	910.82
	<b>2,199.36</b>	<b>1,835.89</b>

## OPERATIONS

The fees collected, after considering discount and concessions stood at ₹ 17,077.17 lakhs as against ₹ 14,759.14 lakhs for the previous year registering an increase of around 15.71%. The operating income stood at ₹ 1,201.36 lakhs (Previous year ₹ 654.26 lakhs). Earnings before interest, depreciation, tax and amortization (EBIDTA) increased by around 44.87% and stood at ₹ 4,253.09 lakhs as compared to previous year's figure of ₹ 2,935.87 lakhs. Profit after tax increased by 19.80% from ₹ 1,835.89 lakhs in the previous year to ₹ 2,199.36 lakhs in the current year.

## DIVIDEND

During the financial year 2013-14, your Directors have declared first interim dividend of ₹ 1 (10.00%) per equity shares of ₹ 10/- each on a paid-up share capital of ₹ 39,78,21,870 divided into 3,97,82,187 Equity shares and second interim dividend of ₹ 1.25 (12.50%) per Equity share of ₹ 10/- each, on a paid-up share capital of ₹ 39,79,41,400 divided into 3,97,94,140 Equity shares of ₹ 10/- each.

The total dividend payout for first and second interim dividend, including dividend distribution tax of ₹ 152.16

lakhs (previous year ₹ 131.77 lakhs) would absorb ₹ 1047.41 lakhs (previous year ₹ 925.07 lakhs)

## EMPLOYEE STOCK OPTION PLAN

The Company implemented the Employee Stock Options Scheme "ESOP 2011 – II" in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines"). The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2014 are provided in Annexure 1 to this Report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the listing agreement, entered into with The BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE) is presented in a separate section forming part of this Annual Report.

## CODE OF CONDUCT COMPLIANCE

A declaration signed by the Chairman and Managing Director affirming compliance for the Financial Year 2013-14, with the Company's Code of Conduct by the Directors and Senior Management as required under Clause 49 of the Listing

Agreement with Stock Exchanges, is annexed and forms part of the Directors' Report.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on accounting for investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

### SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. Details of subsidiary of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

### DIRECTORS

Dr. Chhaya Shastri, Directors of the Company retires by rotation and being eligible, offer herself for re-appointment at the ensuing Annual General Meeting.

### DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors make the following statement:

- (i) that in the preparation of the annual accounts for the year under review, all applicable accounting standards have been followed and there are no material departures from the same;
- (ii) that the Directors have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit for the period April 1, 2013 to March 31, 2014;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts of the Company on a 'going concern' basis; and
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year.

### AUDITORS

M/s. Shaparia & Mehta, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s. Shaparia & Mehta to the effect that their appointment as Auditors, if made, would be within the limits prescribed under the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 (the "Act"), read with the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this Report. Having regard to the provisions of Section 219(1) (b) (iv) of the Act, the Directors Report and Accounts are being sent to the shareholders, excluding the statement giving particulars of employees under Section 217 (2A) of the Act. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under 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 as follows:

- i. Part A & B of the Rules pertaining to Conversation of Energy and Technology Absorption are not applicable to your Company.
- ii. Foreign Exchange Earnings and Outgo:
 

Earnings: ₹ 204.80 lakhs - (Previous year ₹ 303.70 lakhs)

Outgo: ₹ 275.82 lakhs (Previous year ₹ 260.09 lakhs)



## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public or the shareholders.

## KEY DEVELOPMENT(S) IN FY 2013-14

- a. Arrangement with Chetana Publications: Your Company has entered into distribution and marketing agreement with Chetana Publications Private Limited ("Chetana"), a leading name in publishing and distribution of educational content. The arrangement involves distribution and marketing by Chetana of all co-branded study materials under the name "Master Key" jointly developed by both parties. In addition, Chetana, through its strong marketing distribution network across Maharashtra, shall introduce and sell pioneering products developed by MT Educare, viz "Robomate"- an innovative solution that makes revision study material easily available to school students through recorded lectures based on apps that can run on home computers / laptops and also be downloaded on smartphones and tablets.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The

Company has also implemented several best Corporate Governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

## APPRECIATION

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

Your Directors also express their appreciation to all the visiting faculty, lecturers, and employees of **MT Educare FAMILY** for their hard work, commitment, dedicated services and collective contribution.

For and on behalf of the Board of Directors

Place: Mumbai

**Mahesh R. Shetty**

Date: 14<sup>th</sup> May, 2014 Chairman and Managing Director

**Annexure 1****Details of Employee Stock Option Scheme 2011 - II ("ESOP 2011 - II")**

The Company instituted the ESOP 2011 - II on April 8, 2011, pursuant to Board and Shareholders' resolutions dated April 8, 2011 and April 13, 2011 respectively. The objective of ESOP 2011 - II was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of your Company.

The Company has granted 2,72,912 options convertible into 2,72,912 Equity Shares of face value of ₹ 10 each under ESOP 2011 - II, which represented 0.69% of the paid-up equity capital of the Company. The following table sets forth the particulars of the options granted under ESOP 2011 - II:

<b>Particulars</b>	<b>Details</b>
Options granted	2,72,912 options were granted till March 31, 2014. No options were granted during the year 2013-14.
The pricing formula	Under ESOP 2011 - II, Equity Shares pursuant to exercise of the options were issued at face value, i.e. ₹ 10
Exercise price of options	₹ 10
Total options vested as of 31 <sup>st</sup> March, 2014.	2,34,315
Options exercised	2,34,315
Total number of Equity Shares that would arise as a result of full exercise of options already granted	2,72,912
Options forfeited/lapsed/cancelled (to be re-issued)	26,644
Variation in terms of options	Nil
Money realised by exercise of options	₹ 23,43,150
Options outstanding (in force)	11,953
Person wise details of options granted to	
(i) Directors and key management employees	Nil
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.	Nil
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant.	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'.	NA
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognized if the Company had used fair value of options and impact of this difference on profits and EPS of the Company.	NA. The Company has used the fair value of options for the purpose of recognizing employee compensation cost.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.	<p>The Company has adopted Black Scholes method to estimate the fair value of options with the following assumptions:</p> <ul style="list-style-type: none"> <li>(i) Risk-free interest rate: 8.3%;</li> <li>(ii) Expected Life: 1.91 years (weighted average of various vesting periods);</li> <li>(iii) Expected volatility - 33% (Based on historical prices of the peer companies);</li> <li>(iv) Expected dividends: Nil</li> <li>(v) Price of underlying share in market at the time of grant of the option: NA</li> </ul>

Particulars	Details
Vesting schedule	Not applicable
Lock-in	Not applicable
Impact on profits of the last three years	Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue.	NA
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2011 - II within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions).	Nil



# CORPORATE GOVERNANCE REPORT

## (Annexure to Directors' Report)

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all employees of the Company for enhancement of shareholders value, keeping in view interest of other stakeholders.

The objective of good corporate governance is to have transparency, fairness, accountability and integrity in all dealing with customers, suppliers, employees and other stakeholders. These principles and objects are embodied in your Company's philosophy on the code of Corporate Governance to attain equilibrium among enhancement of stakeholder value, achievement of financial objective and corporate social responsibility.

### 2. BOARD OF DIRECTORS:

**Composition and size of the Board:** The current strength of the Board of Directors of the Company is 6 (Six). The Chairman and Managing Directors is an Executive Director while others are Non-executive Directors. Of the 5 (Five) Non-executive Directors, 3 (Three) are independent while the remaining 2 (Two) are non-independent.

Category	Name of the Directors
Promoter & Executive Director	Mr. Mahesh R. Shetty
Non-Executive Non-Independent Directors	Mr. Naarayanan Iyer
	Dr. Chhaya Shastri
Non-Executive Independent Directors	Ms. Drushti Desai
	Mr. Yatin Samant
	Mr. Uday Lajmi

All the Independent Directors of the Company furnished a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations were placed before the Board.

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 1956.

Mr. Cyrus Driver stepped down as Director of the Company effective from 17<sup>th</sup> June, 2013.

#### Board meeting:

5 (Five) Board meetings were held during the year. The dates on which the meetings were held are as follows:

Sr. No	Date of Meeting	Board Strength	No. of Directors present
1	15 <sup>th</sup> May, 2013	7	6
2	7 <sup>th</sup> August, 2013	6	6
3	14 <sup>th</sup> November, 2013	6	5
4	7 <sup>th</sup> February, 2014	6	6
5	21 <sup>st</sup> March, 2014	6	6

Attendance of each director at the Board meeting and each annual general meeting (AGM) and the number of companies and committees where he / she is a director / member as on 31<sup>st</sup> March, 2014.

Name of Director	Category of the Directorship	Number of Board Meeting Attended	Attendance at the last AGM held	Number of directorship in other companies	Number of Committee positions held in other companies
Mr. Mahesh R. Shetty	Chairman & Managing Director – Executive (Promoter)	5	Yes	7	Nil
Mr. Naarayanan Iyer	Non-Executive Non-Independent Director	4	Yes	Nil	Nil
Dr. Chhaya Shastri	Non-Executive Non-Independent Director	5	Yes	3	Nil
Ms. Drushti Desai	Non-Executive Independent Directors	5	Yes	2	Nil
Mr. Yatin Samant	Non-Executive Independent Directors	5	No	Nil	Nil
Mr. Uday Lajmi	Non-Executive Independent Directors	5	Yes	Nil	Nil

### Director with materially significant transactions, pecuniary or business relationship with the Company

There have been no materially significant transactions, pecuniary transactions or relationships between the Company and its directors that may have a potential conflict with the interest of the Company at large.

### Directors' Profile

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships, chairmanships of board committees and their shareholding in the Company are provided below:

**Mahesh R. Shetty** holds a bachelor's degree in science and education from the University of Mumbai. He has over 30 years of experience in the coaching sector. He started the business of providing coaching services to students in School Section in 1988 under the brand of 'Mahesh Tutorials'.

He is a Director of MT Education Services Private Limited; Chitales Personalised Learning Private Limited, Lakshya Forum for Competition Pvt. Ltd., Lakshya Educare Pvt. Ltd, Prithviraj Shares and Securities Private Limited, Neptune Developers Limited and Neptune Ventures and Developers Private Limited.

He was the recipient of "Edupreneurs 2013" award given by Times of India and 'Pride of the Nation Award' given by the All India Achievers Association in 2008.

He is Promoter of the Company and holds 1,80,36,803 Equity Shares of the Company in his name as on March 31, 2014.

**Naarayanan Iyer** holds a bachelor's degree in mechanical engineering from the University of Madras. He has 25 years of experience in the education sector and associated with the Company since inception. He holds 1,98,000 Equity Shares of the Company in his name as on March 31, 2014.

**Dr. Chhaya Shastri** holds a bachelor's degree in dental surgery and a bachelor's degree in law (general) from the University of Mumbai. She has also completed one year programme in business management from the Indian Institute of Management, Calcutta. She was appointed as Director of the Company on April 8, 2011. In 2005, she started advising small and medium enterprises in her capacity as a promoter director of Prosynapse Consultants India Private Limited in various fields like media, healthcare, constructions and manufacturing. She joined the Company in 2005 in the capacity of an advisor on behalf of Prosynapse Consultants India Private Limited, pursuant to a retainer arrangement. She has played a major role in establishing the Company as a corporate entity and formulating strategic expansion plans of the Company.

She is a director of Prosynapse Consultants India Private Limited, MT Education Services Private Limited and Lakshya Forum for Competition Private Limited. She is the member of Audit Committee and Shareholders' and Investors' Grievances Committee of the Company.

She holds 17,17,551 Equity shares in her name as on March 31, 2014.

**Drushti Desai** holds a bachelor's degree in commerce from University of Mumbai. She is also a fellow member of ICAI. She was appointed as a Director of the Company on April 8, 2011. She has 17 years of experience in the field chartered accountancy, taxation, restructuring advisory and valuation.

She is a director of MPIL Corporation Limited; Kruti Finance and Holdings Private Limited. She is the Chairman of Audit Committee and member of Shareholders' and Investors' Grievances Committee of the Company. She is a partner of Bansi S. Mehta & Co., B. S. Mehta & Co., and BSM Associates, Chartered Accountants.

She does not hold any Equity shares in her name as on March 31, 2014.

**Yatin Samant** holds a bachelor's degree in engineering from Veermata Jijabai Institute of Technology, Mumbai and a master's degree in management studies from Jamnalal Bajaj Institute of Management Sciences, Mumbai. He was appointed as a Director of the Company on April 8, 2011. He has over 30 years of varied experience in sales, marketing, business development and general management across industries.

He is the Chairman of Shareholders' and Investors' Grievances Committee and member of Remuneration Committee.

He holds 2,250 Equity shares in his name as on March 31, 2014.

**Uday Lajmi** holds a master's degree in marketing management from the University of Mumbai and a doctorate degree in physical chemistry from the Institute of Technology Mumbai. He was appointed as a Director of the Company on June 2, 2011. He has over 23 years of experience in various capacities in industry and academics and presently is the additional vice president (training & development) with Reliance Infrastructure Limited.

He is the Chairman of Remuneration Committee and member of Audit Committee of the Company.

He does not hold any Equity shares in his name as on March 31, 2014.

### 3. COMMITTEE OF THE BOARD:

#### A. AUDIT COMMITTEE:

The Audit Committee is chaired by Ms. Drushti Desai, Chartered Accountant by profession and having a wide experience on financial and taxation issues. All other members of the Committee viz. Mr. Uday Lajmi and Dr. Chhaya Shastri are financially literate within the meaning of Clause II (A) explanation 1 of Clause 49 of the Listing Agreement. Mr. Ashwin M. Patel, Company Secretary, acts as secretary to the Audit Committee.

The composition of the Audit Committee complies with the requirement laid down in Clause 49 of the listing agreement and the terms of reference of the Audit Committee are those prescribed under Clause 49 of the listing agreement as well as under Section 292A of the Companies Act, 1956.

During the financial year 2013-14, Four Audit Committee Meetings were held. The dates on which the meetings were held are as follows:

Sr. No.	Date of Meeting	Strength of the Committee	No. of Directors present
1	15 <sup>th</sup> May, 2013	3	3
2	7 <sup>th</sup> August, 2013	3	3
3	14 <sup>th</sup> November, 2013	3	3
4	7 <sup>th</sup> February, 2014	3	3

The Composition of the Audit Committee is as follows:

Sr. No.	Name	Designation on the Committee	Category of Directorship	Attendance out of four meetings held
1	Ms. Drushti Desai	Chairman	Independent Non- Executive Director	4
2	Mr. Uday Lajmi	Member	Independent Non- Executive Director	4
3	Dr. Chhaya Shastri	Member	Non Independent Non- Executive Director	4

The Chairman & Managing Director, Chief Finance Officer, Statutory Auditor and Internal Auditor have been invitees to the Audit Committee meetings.

## B. REMUNERATION COMMITTEE

Remuneration Committee of the Company was re-constituted in the Board meeting held on 7<sup>th</sup> August, 2013, wherein Mr. Uday Lajmi was appointed as the Chairman and Ms. Drushti Desai as Member of Remuneration Committee. The re-constitution was due to resignation of Mr. Cyrus Driver from the directorship of the company effective from 17<sup>th</sup> June, 2013.

The Remuneration Committee comprises of three independent directors namely Mr. Uday Lajmi, Mr. Yatin Samant and Ms. Drushti Desai. The terms of reference of the committee are to decide the remuneration of the executive directors. One meeting of the committee was held on 15<sup>th</sup> May, 2013, which was attended by all the members of the Committee.

The Composition of the Remuneration Committee is as follows:

Sr. No.	Name	Designation on the Committee	Category of Directorship	Attendance out of one meeting held
1	Mr. Uday Lajmi	Chairman	Independent Non- Executive Director	1
2	Mr. Yatin Samant	Member	Independent Non- Executive Director	1

3	Ms. Drushti Desai	Member	Independent Non- Executive Director	-
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(#) appointed with effect from 07/08/2013

Remuneration paid to the Chairman and Managing Director during 2013-14:

The remuneration paid to Mr. Mahesh R. Shetty during the year 2013-14 is ₹ 129.00 Lakhs (previous year ₹ 103.50 Lakhs).

Remuneration and shareholding of Non-executive Directors:

The non-executive directors are only paid sitting fees for attending meetings of the board and committee(s) thereof. Keeping in view industry practices being the criteria relied upon by the board, the board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the Company. The sitting fee presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive directors for attending meetings of the board and committee(s) thereof held during the year ended on March 31, 2014 is as under:

Sitting fees paid to the Non-executive Directors for 2013-14 are as detailed below:

Name of the Non-Executive Director	Sitting Fees (₹)
Mr. Naarayanan Iyer	60,000
Dr. Chhaya Shastri	1,55,000
Drushti Desai	1,55,000
Yatin Samant	1,25,000
Uday Lajmi	1,25,000

Besides dividend on equity shares held, if any, by the non-executive directors no other payments have been made or transaction of a pecuniary nature entered into by the Company with the said directors.

The shares held by Non-Executive Directors in the Company as of 31<sup>st</sup> March, 2014 are as follows:

Name of the Non-Executive Director	Shares held
Mr. Naarayanan Iyer	1,98,000
Dr. Chhaya Shastri	17,17,551
Drushti Desai	Nil
Yatin Samant	2,250
Uday Lajmi	Nil

## C. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders / Investors Grievance committee comprises of Mr. Yatin Samant, Ms. Drushti Desai and Dr. Chhaya Shastri. Mr. Ashwin M. Patel, Company Secretary, acts as secretary to the committee, and is the compliance officer.



Four Shareholders' and Investors' Grievances Committee Meetings were held during the year, details of which are as under:

Sr. No	Date of Meeting	Strength of the Committee	No. of Directors present
1	15 <sup>th</sup> May, 2013	3	3
2	7 <sup>th</sup> August, 2013	3	3
3	14 <sup>th</sup> November, 2013	3	3
4	7 <sup>th</sup> February, 2014	3	3

The Composition of Shareholders and Investors Grievance Committee and the attendance at the committee meeting is as follows:

Sr. No	Name	Designation on the Committee	Category of Directorship	Attendance out of four meeting held
1	Mr. Yatin Samant	Chairman	Independent Non- Executive Director	4
2	Ms. Drushti Desai	Member	Independent Non- Executive Director	4
3	Dr. Chhaya Shastri	Member	Non Independent Non- Executive Director	4

Broad terms of reference to the Shareholders / Investors Grievance Committee:

The Shareholders / Investors Grievance Committee reviews and advises the Company on any grievance in relation to (a) Non-transfer of shares (b) Non-receipt of Annual Report (c) Non-receipt of dividend and (d) Any other investors' grievance raised by any shareholder.

#### Compliance Officer

Mr. Ashwin M. Patel, Company Secretary and Compliance Officer, is the Compliance officer for complying with the requirements of the Securities Laws and the Listing Agreement with the Stock Exchanges.

The following shareholders complaints were received and resolved during the year April 1, 2013 to March 31, 2014:

Sr. No	Nature of Complaint	No. of Complaints
1	Non-receipt of Annual Report	1
2	Non-receipt of dividend warrant	4
<b>Total</b>		<b>5</b>

**Number of Complaints pending with the company: Nil**

#### Insider Trading Code:

The Company has a separate Insider Trading Code in line with SEBI (Prohibition of Insider Trading) Regulations, 1992. The said Code is applicable to all Directors and specified persons / employees of the Company. The Code governs sale and purchase of shares of the Company by Directors and specified employees / persons. In terms of this

code, Directors and specified employees of the Company can deal in shares of the Company only when the Trading Window is open and not otherwise, except with the prior approval of the Managing Director.

#### 4. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

Year	Location	Date	Time	Whether any special resolution passed
2010-11	220, 2 <sup>nd</sup> Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai 400080.	15 <sup>th</sup> September, 2011	11.00 a.m.	No
2011-12	Shagun Banquet Hall, Devi Dayal Road, Behind Fire Brigade Office, Mulund (West), Mumbai 400080.	14 <sup>th</sup> September, 2012	4.00 p.m.	No
2012-13	Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100 L.B.S Road, Bhandup (West), Mumbai 400078.	14 <sup>th</sup> September, 2013	11.30 a.m.	No

#### 5. DISCLOSURES

- The Company does not have materially significant related party transactions (i.e transactions of the Company of material nature with its Promoter, Directors or the Management, or their subsidiaries or their relatives etc.) which may have potential conflict with the interest of the Company at large.
- To the best of the Company's knowledge, there has been no incidence of non-compliance with requirement of stock exchange(s), SEBI or other statutory authority, on matters relating to capital markets since listing of equity shares on BSE and NSE (i.e. 12<sup>th</sup> April, 2012). During last three years, no penalty or stricture has been imposed on the Company.
- The board of directors has laid down the code of conduct for directors and senior management personnel including all functional heads, which they are bound to observe in the course of conduct of business of the Company. Each director of the Company and senior management personnel including all functional heads, to whom the code has been made applicable, have affirmed their compliance with the code. A declaration by Mr. Mahesh R. Shetty, Chairman & Managing Director, to this effect forms part of this report.
- There was no formal whistle blower policy mechanism during financial year 2013-14. However, the audit committee does not deny access to any personnel of the Company.
- The Company has complied with all the mandatory Corporate Governance requirements of Clause 49 of the listing agreement.

**6. MEANS OF COMMUNICATION**

- The quarterly results are generally published in Free Press Journal and Navshakti and also displayed on the Company's website [www.mteducare.com](http://www.mteducare.com). The official news releases are also displayed on the Company's website. The Investors presentation is also uploaded on the Company's website on a quarterly basis.
- Any press release, if issued, after publishing of unaudited / audited Quarterly / Annual results or otherwise will also be uploaded on Company's website.

**7. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management discussion and Analysis Report forms a part of the Directors' Report.

**8. GENERAL SHAREHOLDERS INFORMATION**

Registered Office	220, 2 <sup>nd</sup> Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai - 400080 Tel: (022) 2593 7700 / 800 / 900 Fax: (022) 2593 7799 Website: <a href="http://www.mteducare.com">www.mteducare.com</a>
AGM : Date, Time and Venue	24 <sup>th</sup> day of September, 2014 at 11.30 a.m. at Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100 L.B.S Road, Bhandup (West), Mumbai 400078.
Financial Year	The Financial year of the Company is 1 <sup>st</sup> April, to 31 <sup>st</sup> March.
Financial Calendar (Tentative)	Result for quarter ending 30 <sup>th</sup> June, 2014 - 6 <sup>th</sup> August 2014 Result for quarter and half year ending 30 <sup>th</sup> September, 2014 – 12 <sup>th</sup> November, 2014 Result for quarter and nine months ending 31 <sup>st</sup> December, 2014 – 4 <sup>th</sup> February 2015 Results for the year ending 31 <sup>st</sup> March, 2015 – 6 <sup>th</sup> May 2015
Date of Book Closure	20/09/2014 to 24/09/2014 (both days inclusive)
Dividend payment date	First Interim Dividend - 25 <sup>th</sup> November, 2013. Second Interim Dividend - 30 <sup>th</sup> May, 2014.
Listing on Stock Exchange	The BSE Limited (BSE) The National Stock Exchange of India Limited (NSE) The Company has paid the annual listing fees for the period April 1, 2014 to March 31, 2015 to both the Stock exchanges
Stock Code	BSE                      NSE 534312                  MTEDUCARE
ISIN Number of the Equity Shares having nominal value of ₹ 10/-	INE472M01018
Market price data	Refer Annexure A
Performance in comparison to BSE Sensex	Refer Annexure B
Registrar and Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mill Compound L.B.S Marg, Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 Investor Grievance Email: <a href="mailto:mtel.ipo@linkintime.co.in">mtel.ipo@linkintime.co.in</a>
Share Transfer System	All the transfers received are processed and approved by a share transfer committee.
Distribution of Shareholding and shareholding pattern as on 31/03/2014	Refer Annexure C
Shareholding pattern	Refer Annexure D
Dematerialization of shares and liquidity	Refer Annexure E
Outstanding GDR / ADR / Warrants or any convertible instrument. Conversion date and impact on equity	The Company has not issued any GDRs/ADRs/warrants or any other convertible instrument.
Plant Location	Not applicable as the Company is in the service sector

#### Address of correspondence

MT Educare Limited  
220, 2nd Floor, "FLYING COLORS"  
Pandit Din Dayal Upadhyay Marg,  
L.B.S Cross Road, Mulund (West),  
Mumbai 400080.  
Tel No. (022) 2593 7700 / 800 / 900  
Fax No.(022) 2593 7799  
Email : [info@mteducare.com](mailto:info@mteducare.com)

The investors may register their grievance on [investorelations@mteducare.com](mailto:investorelations@mteducare.com), an exclusive e-mail ID for registration of complaints by the investors.

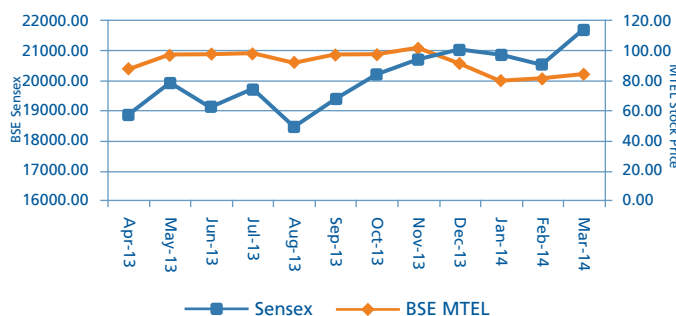
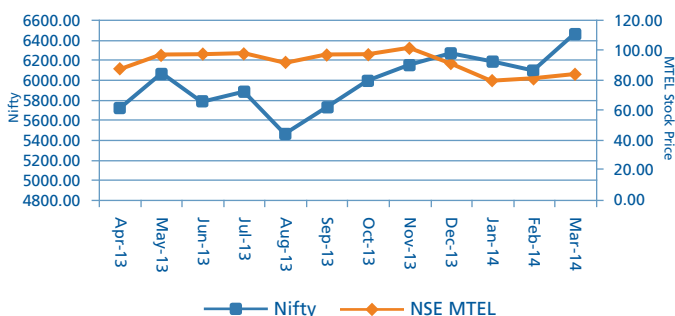
Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participant.

## Annexure A

The high and low prices of the Company's equity shares (of face value of ₹ 10/- each) on The BSE Limited (BSE) and on The National Stock Exchange of India Ltd. (NSE) during each month in the financial year 2013-14 were as under:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	95.90	79.50	96.00	80.00
May, 2013	103.45	90.00	103.40	91.00
June, 2013	105.00	90.00	105.65	90.00
July, 2013	108.00	85.00	110.30	86.05
August, 2013	104.00	81.50	103.05	81.65
September, 2013	103.00	92.00	102.50	92.10
October, 2013	104.75	91.60	104.95	90.05
November, 2013	110.40	93.10	110.50	93.55
December, 2013	96.90	86.80	96.50	86.80
January, 2014	95.00	66.90	95.00	65.50
February, 2014	87.00	77.40	89.00	74.00
March, 2014	94.55	75.10	94.10	74.00

## Annexure B





## Annexure C

Distribution of shareholding as on March 31, 2014 is as under:

Range of equity shares held	No. of holders	% of shareholders	No. of equity shares held	% of capital
01-5000	5,447	80.16	73,70,030	1.85
5001 - 10000	557	8.20	44,95,900	1.13
10001 - 20000	396	5.83	55,46,160	1.39
20001 - 30000	118	1.74	29,97,970	0.75
30001 - 40000	54	0.79	19,34,930	0.49
40001 - 50000	38	0.56	17,99,390	0.45
50001 - 100000	73	1.07	53,40,920	1.34
100001 & above	112	1.65	36,83,36,570	92.59
<b>Total</b>	<b>6,795</b>	<b>100.00</b>	<b>39,78,21,870</b>	<b>100.00</b>

## Annexure D

Shareholding pattern as on March 31, 2014

Category	No. of shares held	Percentage to total
Promoter	1,80,36,803	45.34
Other Directors and their relatives	19,17,801	4.82
Mutual Funds	14,88,159	3.74
Banks, Financial Institutions, Insurance Companies	5,512	0.01
Foreign Institutional Investors (FII's)	45,27,108	11.38
Domestic Companies	15,10,249	3.80
Indian Public	1,04,81,243	26.35
Non Resident Indians / Overseas Corporate bodies / Foreign Corporate Bodies (NRI's / OCBs / FCBs)	18,15,312	4.56
<b>Total</b>	<b>3,97,82,187</b>	<b>100.00</b>

## Annexure E

Dematerialization of shares:

Category	Number of shares	% of total shares	Number of shareholders	% of shareholders
Electronic Form	3,92,02,416	98.54	6,745	99.26
Physical Form	5,79,771	1.46	50	0.74
<b>Total</b>	<b>3,97,82,187</b>	<b>100.00</b>	<b>6,795</b>	<b>100.00</b>

### DECLARATION

I hereby declare that the directors and senior management personnel including all functional heads of the Company have affirmed compliance with the code of conduct, for the year ended on March 31, 2014.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 14<sup>th</sup> May, 2014

**Mahesh R. Shetty**  
Chairman and Managing Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

MT Educare Limited

We have examined the compliance of conditions of corporate governance by MT Educare Limited for the year ended 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We, further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shaparia & Mehta**  
Chartered Accountants  
Firm Reg No. 112350W

**Jayavanti Shah**  
Partner  
Membership No. 043710

Place: Mumbai  
Date: 14<sup>th</sup> May, 2014

## **CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY**

### **(PURSUANT TO CLAUSE NO. 49(V) OF THE LISTING AGREEMENT)**

We, Mahesh R. Shetty, Chairman & Managing Director and Yagnesh Sanghrajka, Chief Financial Officer of MT Educare Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. We have indicated to the auditors and the Audit Committee that:
  - a) there were no significant changes in internal control over financial reporting during the year;
  - b) there were no significant changes in the accounting policies during the year; and
  - c) there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Mahesh R. Shetty**

Chairman & Managing Director

**Yagnesh Sanghrajka**

Chief Financial Officer

Place : Mumbai  
Date: 14<sup>th</sup> May, 2014



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF MT EDUCARE LIMITED

### Report on the Financial Statements

1. We have audited the accompanying Financial Statements of **MT Educare Limited**, which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of 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 any material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted the audit in accordance with the standard on auditing issued by The Institute of Chartered Accountants of India. Those Standards required 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor consider 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.

### Opinion

5. 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, 2014**;
- b. in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other legal and Regulatory Requirements

6. As required by The Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of The Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
7. As required by section 227(3) of The Companies Act, 1956, 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, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (v) On the basis of written representations received from the directors, as on **31st March 2014** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of The Companies Act, 1956.
  - (vi) Since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of The Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Shaparia & Mehta**  
Chartered Accountants  
FRN No.: 112350W

**Jayavanti Shah**  
Partner  
Membership No.: 043710

Place: Mumbai  
Date: 14<sup>th</sup> May, 2014.

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 6 of our report of even date

- i. (a) The Company has maintained location wise records of fixed assets in terms of value and quantity. *[Paragraph 4(i)(a)]*
- (b) All fixed assets have not been physically verified by the management during the year but there is an annual programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification. *[Paragraph 4(i)(b)]*
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year. *[Paragraph 4(i)(c)]*
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. *[Paragraph 4(ii)(a)]*
- (b) The procedure for physical verification of physical inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of the business. *[Paragraph 4(ii)(b)]*
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. *[Paragraph 4(ii)(c)]*
- iii. (a) According to the information and explanations given to us the Company has granted unsecured loan to one party covered in the register maintained under Section 301 of the companies Act 1956. The Closing Balance as on 31.03.2014 is ₹ 757.46 lakhs and the maximum balance outstanding during the year is ₹ 757.46 lakhs. *[Paragraph 4(iii)(a)]*.

Particulars	No. of Parties	Amount (₹ In Lakhs)
Opening balance	1	333.79
Loan granted during the year	2	268.67
Loan recovered during the year	1	50.00
Closing balance	2	757.46

- b) No Interest is charged on the unsecured loans. In our opinion and according to the information and explanations given to us, the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. *[Paragraph 4(iii)(b)]*
- (c) In the absence of specified due dates for the repayment of loans granted, the question of irregularity does not arise. *[Paragraph 4(iii)(c)]*
- (d) As the loan is payable on demand, there is no overdue amount of more than Rupees One lakh. *[Paragraph 4(iii)(d)]*

- (e) The Company has taken unsecured loan from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loan is ₹ 201.56 Lakhs and ₹ 193.45 Lakhs respectively. *[Paragraph 4(iii)(e)]*

Particulars	No. of Parties	Amount (₹ In Lakhs)
Opening balance	0	0.00
Loan granted during the year	1	368.21
Loan recovered during the year	1	174.76
Closing balance	1	193.45

- (f) No Interest is paid on the unsecured loans. In our opinion and according to the information and explanations given to us, the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. *[Paragraph 4(iii)(f)]*
- (g) In the absence of specified due dates for the repayment of loans granted, the question of irregularity does not arise. *[Paragraph 4(iii)(g)]*
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, for the purchase and sale of inventories and for the sale of services. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas. *[Paragraph 4(iv)]*
- v. (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered. *[Paragraph 4(v)(a)]*
- (b) In our opinion and according to the information and explanations given to us, in respect of lecture services rendered, these being of professional nature, the market values are not readily ascertainable. The transactions made in pursuance of such contract or arrangements are made at prices which are reasonable. *[Paragraph 4(v)(b)]*
- vi. The Company has not accepted any deposits from public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under. *[Paragraph 4(vi)]*
- vii. In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business. *[Paragraph 4(vii)]*

viii. To the best of our knowledge and as explained, 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 for the products of the Company. [Paragraph 4(viii)]

ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it.

Details of dues of income tax which have not been deposited as on March 31, 2014 on account of any dispute are given below:

Nature of Statute	Nature of Dues	Amount Involved (₹ Lakhs)	Period to which the amount relates.	Forum where the dispute is pending.
The Income-Tax Act, 1961	Income Tax	53.65	A.Y. 2009-10	Income Tax Appellate Tribunal
The Income-Tax Act, 1961	Income Tax	9.95	A.Y. 2010-11	Income Tax Tribunal
The Income-Tax Act, 1961	Income Tax	1.03	A.Y. 2011-12	ACIT
The Income-Tax Act, 1961	Income Tax	0.10	A.Y. 2012-13	Determined U/S 143(1)(a)

(b) According to the information and explanations given to us, there are no undisputed amounts payable for a period of more than six months from the date they became payable in respect of statutory dues applicable to it except Service Tax amounting to ₹ 17.02 Lakhs.

x. The Company has no accumulated losses as on 31<sup>st</sup> March, 2014. The Company has not incurred any cash losses in the Current financial year and in the immediately preceding financial years hence clause (x) of Paragraph 4 of the order is not applicable to the Company. [Paragraph 4(x)]

xi. Based on our audit procedures and on the information and explanation given to us, in our opinion the Company has not defaulted in repayment of dues to a bank as at the Balance sheet date. The Company has no dues in respect of a financial institution and has not issued any debentures during the year. [Paragraph 4(xi)]

xii. According to the information and explanations given to us and based on the documents and records produced 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. [Paragraph 4(xii)]

xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit/ society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the Company. [Paragraph 4(xiii)]

xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The mutual fund units have been held by the Company, in its own name. [Paragraph 4(xiv)]

xv. In our opinion and 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 during the year. [Paragraph 4(xv)]

xvi. In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year covered by our report. [Paragraph 4(xvi)]

xvii. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. [Paragraph 4(xvii)]

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. [Paragraph 4(xviii)]

xix. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year covered by our report. [Paragraph 4(xix)]

xx. We have verified the end use of money raised by public issue from the draft prospectus filed with SEBI, the offer document and as disclosed in the notes to the Financial Statements. [Paragraph 4(xx)]

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management. [Paragraph 4(xxi)]

For **Shaparia & Mehta**  
Chartered Accountants  
FRN No.112350W

**Jayavanti Shah**  
Partner  
Membership No.: 043710

Place: Mumbai  
Date: 14<sup>th</sup> May, 2014.



# BALANCE SHEET as at 31<sup>st</sup> March, 2014

		₹ in lakhs	
Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	3,978.22	3,954.79
(b) Reserves and surplus	4	7,414.65	6,260.69
(c) Money received against share warrants		-	-
		11,392.87	10,215.48
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	5	300.38	839.61
(d) Long-term provisions	6	74.69	54.57
		375.07	894.18
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	193.45	-
(b) Trade payables	8	312.04	201.41
(c) Other current liabilities	9	3,508.86	4,754.31
(d) Short-term provisions	10	2,381.45	1,658.40
		6,395.80	6,614.12
<b>TOTAL</b>		<b>18,163.74</b>	<b>17,723.78</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11.1	8,056.71	6,279.27
(ii) Intangible assets	11.2	492.59	318.01
(iii) Capital work-in-progress	11.3	511.31	1,096.99
(iv) Intangible assets under development	11.4	96.95	123.03
(v) Fixed assets held for sale		-	-
		9,157.56	7,817.30
(b) Non-current investments	12	1,957.40	657.40
(c) Deferred tax assets (net)	25.6	465.70	410.47
(d) Long-term loans and advances	13	1,916.42	3,068.42
(e) Other non-current assets	14	73.58	45.45
		13,570.66	11,999.04
<b>2 Current assets</b>			
(a) Current investments	15	657.16	1,196.16
(b) Inventories		5.35	4.39
(c) Trade receivables	16	909.99	976.27
(d) Cash and bank balance	17	897.05	2,324.34
(e) Short-term loans and advances	18	2,092.77	1,210.78
(f) Other current assets	19	30.76	12.80
		4,593.08	5,724.74
<b>TOTAL</b>		<b>18,163.74</b>	<b>17,723.78</b>

See accompanying notes forming part of the financial statements 1 to 25

In terms of our report attached.

For **Shaparia & Mehta**

Chartered Accountants

Firm Reg No.: 112350W

**Jayavanti Shah**

Partner

Membership No.: 043710

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**

Chairman & Managing Director

**Dr. Chhaya Shastri**

Director

**Mr. Yagnesh Sanghrajka**

Chief Financial Officer

**Mr. Ashwin Patel**

Company Secretary

Place : Mumbai

Dated: 14<sup>th</sup> May, 2014

# STATEMENT OF **PROFIT AND LOSS** for the year ended 31<sup>st</sup> March, 2014

₹ in lakhs

Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
1 Fees	20	17,077.17	14,759.14
Operating income	20	1,201.36	654.26
<b>Revenue from operations (net)</b>		<b>18,278.53</b>	<b>15,413.40</b>
<b>2 Expenses</b>			
Purchase of Traded Goods		22.76	118.74
Change in Inventories		(0.96)	(4.39)
Direct Expenses	21	8,817.87	7,796.90
Personnel	22	2,443.62	2,161.64
Other Expenses	23	2,742.15	2,404.64
<b>TOTAL</b>		<b>14,025.44</b>	<b>12,477.53</b>
<b>3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)</b>		<b>4,253.09</b>	<b>2,935.87</b>
4 Finance costs		-	-
5 Depreciation and amortisation expense	11	1,205.08	833.50
6 Other income	24	264.10	483.01
<b>7 Profit / (Loss) before exceptional and extraordinary items and tax (3 + 4 + 5 + 6)</b>		<b>3,312.11</b>	<b>2,585.38</b>
8 Exceptional items		-	-
<b>9 Profit / (Loss) before extraordinary items and tax (7 + 8)</b>		<b>3,312.11</b>	<b>2,585.38</b>
10 Extraordinary items		-	-
<b>11 Profit / (Loss) before tax (9 + 10)</b>		<b>3,312.11</b>	<b>2,585.38</b>
12 Tax expense:			
(a) Current tax expense for current year		1,158.83	774.00
(b) Current tax expense relating to prior years		9.15	(23.13)
Net current tax expense		1,167.98	750.87
(c) Deferred tax	25.6	(55.23)	(1.38)
		<b>1,112.75</b>	<b>749.49</b>
<b>13 Profit / (Loss) for the year (11-12)</b>		<b>2,199.36</b>	<b>1,835.89</b>
<b>14 Prior Period Items</b>		<b>-</b>	<b>-</b>
<b>15 Profit / (Loss) for Appropriation (13 + 14)</b>		<b>2,199.36</b>	<b>1,835.89</b>
<b>16.i Earnings per share (of ₹ 10 each):</b>			
(a) Basic	25.5.1	5.53	4.66
(b) Diluted	25.5.2	5.53	4.63
<b>16.ii Earnings per share (excluding extraordinary items) (of ₹ 10 each):</b>			
(a) Basic	25.5.1	5.53	4.66
(b) Diluted	25.5.2	5.53	4.63
See accompanying notes forming part of the financial statements 1 to 25			

In terms of our report attached.

For **Shaparia & Mehta**  
Chartered Accountants  
Firm Reg No.: 112350W

**Jayavanti Shah**  
Partner  
Membership No.: 043710

Place : Mumbai  
Dated: 14<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**  
Chairman & Managing Director

**Mr. Yagnesh Sanghrajka**  
Chief Financial Officer

**Dr. Chhaya Shastri**  
Director

**Mr. Ashwin Patel**  
Company Secretary

## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2014

₹ in lakhs

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		3,312.11		2,585.38
<b>Adjustments for:</b>				
Depreciation and amortisation		1,205.08		833.50
Expense on employee stock option scheme		2.01		31.55
Interest income		(163.51)		(268.60)
Dividend income		(63.45)		(186.89)
Net (gain) / loss on sale of investments		(12.99)		-
Net (gain) / loss on sale of fixed assets		65.39		24.56
Doubtful trade receivables, loans and advances		96.35		55.42
Amount Written Off		(8.38)		1.03
Net unrealised exchange (gain) / loss		(28.82)	1,091.68	(14.02)
Operating cash flow before working capital changes		4,403.79		3,061.93
<b>Changes in working capital:</b>				
(Increase)/Decrease in Trade receivables		(10.04)		(361.69)
(Increase)/Decrease in Loans and advances and others		(465.07)		388.38
(Increase)/Decrease in Inventories		(0.96)		(4.39)
Increase/(Decrease) in Trade payables		110.03		93.82
Increase/(Decrease) in Other Liabilities & Provisions		(1,488.09)	(1,854.14)	234.64
		2,549.65		3,412.69
Cash flow from extraordinary items		-		-
Cash generated from operations		2,549.65		3,412.69
Net income tax (paid) / refunds		(1,082.98)		(725.48)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,466.67</b>		<b>2,687.21</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances (Net of proceeds on sale)		(2,202.12)		(4,323.57)
Current investments not considered as Cash and cash equivalents		525.79		(167.99)
Purchase of long-term investments				
- Equity Shares in Subsidiaries / Joint Ventures (adjusted for advances)		(600.00)		(0.90)
- Debentures in Subsidiaries		(40.00)		(205.00)
- Debentures in Other Companies		-		-
Advance for Purchase of equity shares		-		(660.00)
Loans given to subsidiaries		(178.79)		(2.00)
Interest received on debentures/fixed deposits		118.30		244.09
Dividend on MF received		63.45		186.88
Dividend on Shares received		-		0.01
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(2,313.37)</b>		<b>(4,928.48)</b>



₹ in lakhs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	23.43	3,500.00
Security Deposit to Stock Exchanges	99.00	-
Fresh / (Repayment) of other short-term borrowings	193.45	-
Share Issue Expenses	-	(493.12)
Reimbursement of Share Issue Expenses	-	460.70
Dividends paid	(795.64)	(573.45)
Tax on dividend	(135.22)	(93.03)
Cash flow from extraordinary items	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(614.98)</b>	<b>2,801.10</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,461.68)</b>	<b>559.83</b>
Cash and cash equivalents at the beginning of the year	2,324.34	1,757.09
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	8.19	7.42
<b>Cash and cash equivalents at the end of the year</b>	<b>870.85</b>	<b>2,324.34</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	897.05	2,324.34
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	26.20	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	870.85	2,324.34
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
<b>Cash and cash equivalents at the end of the year *</b>	<b>870.85</b>	<b>2,324.34</b>
* Comprises:		
(a) Cash on hand	22.14	15.63
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	333.70	103.84
(ii) In EEFC accounts	-	-
(iii) In deposit accounts with maturity of less than 3 months	515.01	2,204.87
	870.85	2,324.34
Notes:		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
See accompanying notes forming part of the financial statements		

In terms of our report attached.

For **Shaparia & Mehta**

Chartered Accountants

Firm Reg No.: 112350W

**Jayavanti Shah**

Partner

Membership No.: 043710

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**

Chairman & Managing Director

**Dr. Chhaya Shastri**

Director

**Mr. Yagnesh Sanghrajka**

Chief Financial Officer

**Mr. Ashwin Patel**

Company Secretary

Place : Mumbai

Dated: 14<sup>th</sup> May, 2014

## NOTES forming part of the financial statements

### 1 Corporate information

MT Educare Limited (earlier MT Educare Private Limited) ('MTEL' or 'the Company') was incorporated under the Companies Act, 1956 on 19th August, 2006 and is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

The Company is now a public limited company and has received fresh certificate of incorporation dated 18th May, 2011. Thereon, it has changed its name from MT Educare Private Limited to MT Educare Limited.

The Company came out with its Initial Public Offer (IPO) on 27th March, 2012 and the IPO closed on 29th March, 2012. The Company was listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 12th April, 2012.

### 2 Significant accounting policies

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed herein below in detail, are consistent with those used in the previous year.

The Company follows Mercantile System of accounting and recognizes income and expenditure on accrual basis.

All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities into current and non current.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting

principles 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 financial statement and the result of operations during the reporting period. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3 Cash and cash equivalents

Cash comprises cash on hand, bank balances and demand deposits with banks.

#### 2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.5 Depreciation and amortisation

Depreciation on all assets is provided on Written Down Value method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Individual item(s) costing less than ₹ 5,000 and not forming part of cluster of Assets (Chairs, benches, etc.) are written off at the rate of 100%.

Depreciation on assets acquired / sold during the year is provided on pro-rata basis with reference to the date of installation / put to use, in the books or disposal.

Depreciation on leasehold improvements is provided at the rates applicable to furniture & fixtures and in the manner specified in Schedule XIV of the Companies Act, 1956.

#### 2.6 Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to

the recoverable amount.

## 2.7 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and revenue can be reliably ascertained.

Revenue from fees received is recognized equally over the period of service rendered (course duration). At the time of admission, fees received from students are booked at gross amount and shown as 'advance fees'. Discounts and concessions are accounted for separately in a similar manner. The Company has introduced Course Registration Fees (CRF) as part of the Course Fees. The CRF forms part of the total fees and is non refundable. The Company receives CRF as part of the initial payment made by a student and recognises the same on admission.

Upfront fee received from franchisees as brand fees is recognized as income over the period of the agreement.

Commission or royalty received from the franchisees is recognized as per the terms of agreements entered into with them.

The Company has entered into agreements / arrangements with Colleges on revenue sharing basis where the same is recognised on mutually agreed terms and accounted as Management Fees.

The Company has for the first time during the year sold its content on pre-recorded CDs, software and hardware. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer. Sales are exclusive of sales tax, rebates and discounts.

The Company has adopted Income Approach to recognize Government Grants. As per AS 12 on Government Grants issued by ICAI, government grants should be recognized in the Profit and Loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

The Company has during the year introduced "Robomate" a teaching application (recorded

lectures of expert faculty) which is sold online and/or offline through a pen drive/ sd card/ tablet. Sale of Robomate with respect to MT students forms part of the total fees. The revenue for the same is recognized on delivery/ installation of the same at the students location.

## 2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 2.9 Fixed Assets and Capital Work In Progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Rent paid for the period beginning/commencing from taking over vacant possession of the premises and ending with the date of completion of project/improvements or for a period of 3 months, whichever is earlier, is capitalized under leasehold improvements.

Capital Work-In-Progress are assets not ready for the intended use as at the Balance Sheet date and include assets at new centres which have not commenced operations till 31 March 2014.

In case of centers closed down or relocated during the period, Written Down Value (WDV) of leasehold improvements / fixtures as on the date on which the centre is closed down / relocated have been fully written off.

## 2.10 Intangible assets

An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where the cost can be reliably ascertained. Intangible asset are stated at cost of acquisition less accumulated amortization. Amortization of the intangible assets is provided on pro-rata basis on Straight Line Method based on management's estimate of useful life of the assets

- (i) A period of 3 years on non-compete fees and Technology Aided Teaching (TAT).



- (ii) A period of 3 years on goodwill, based on management's current estimate of useful life of the asset.
- (iii) A period of 5 years on ERP - SAP Software.
- (iv) A period of 5 years on purchase of License for Online teaching.

Expenses incurred on in-house development of courseware and products are shown as Capital Work In Progress till the time they have been put to use. They shall be capitalized either individually or as a knowledge bank in the form of Technology Aided Teaching (TAT) / Multimedia Software. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" issued by ICAI.

#### **2.11 Foreign currency transactions and translations**

##### **Initial recognition**

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising on subsequent settlement of such transactions are accounted as income or expenses in the period in which they are settled and arise.

##### **Foreign Operations**

The accounts of the branch are consolidated by integral system of branch accounting. Transactions for a month are translated using the exchange rate prevailing at the end of the month, which approximates the average exchange rate. Any exchange gain / (loss) arising on the translation of the financial statement is taken to the Profit & Loss Account.

#### **2.12 Government grants, subsidies and export incentives**

The Company has adopted Income Approach to recognize Government Grants. As per AS 12 on Government Grants issued by ICAI, government grants should be recognized in the profit and loss statement on a systematic and rational basis over the periods necessary to match them with the related costs. The expenses incurred in relation to the Scheme

are debited to Profit & Loss Account. An appropriate amount in respect of such grant, recognizing the amount of grant over the period of service rendered, is credited to income for the year even though the actual amount of such benefits may finally be settled and received after the end of the relevant accounting period.

#### **2.13 Investments**

Long term investments are valued at cost with an appropriate provision for permanent diminution in value, if any.

Investment that is readily realizable and is intended to be held for not more than one year is valued at lower of cost or realizable value.

#### **2.14 Employee benefits**

##### **A. Provident Fund**

As per the Employees Provident Funds and Miscellaneous Provision Act, 1952 employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. The Company's contribution to the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related services. The Company has no other obligation to the plans beyond its monthly compensations.

##### **Defined contribution plans**

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

##### **B. Gratuity**

The Company provides for gratuity obligations through a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Company makes annual contributions, premiums in respect of all qualifying employees to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme. The Gratuity

Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment in accordance with the Payment of Gratuity Act, 1972. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation at year end, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

The yearly premium paid to LIC is charged to Profit & Loss Account of the year in which it becomes payable.

#### C. **Leave Entitlement**

The Company has a policy of paying Leave Encashment benefits to its employees only in the event of their resignation, based on their accumulated leave balances in accordance with the provisions of "The Bombay Shops and Establishment Act, 1948". As per the policy of the Company, an employee can accumulate a maximum of 39 days leave over a period of 2 years, after which the leave would lapse.

#### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

#### **2.15 Segment reporting**

The Company's business activities fall within a single segment viz. conducting commercial training, coaching, tutorial classes and activities incidental and ancillary thereon. In case of geographical (secondary) segment, since segment assets and segment revenue do not exceed 10% of total business, segment reporting is not required.

#### **2.16 Leases**

##### **Operating Leases**

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased premises during the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a monthly accrual basis as per agreements, except in case of newly rented premises where the rent paid for the period beginning/ commencing from taking over vacant possession of premises and ending with date of completion of the improvements / project or rent paid for 3 months, whichever is earlier, is capitalized and added to the cost of leasehold improvements.

#### **2.17 Earnings per share**

Basic Earnings Per Share is calculated by dividing the Net Profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of Equity Shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus, granting and vesting employee stock options to

employees. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

#### **2.18 Taxes on income**

Current period tax is ascertained and accounted at the amount expected to be paid to Income tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that

sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **2.19 Provisions and contingencies**

A provision is recognized when there is a present obligation as a result of a past event; it is probable that an outflow of resources will be required to fulfill the obligation and in respect of which reliable estimate can be made. Provision other than employee benefits are not discounted to their present value and are determined based on best estimate required to fulfill the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but are discussed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



### 3. Share Capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised				
Equity shares of ₹ 10 each	42,000,000	4,200.00	42,000,000	4,200.00
(b) Issued				
Equity shares of ₹ 10 each	39,782,187	3,978.22	39,547,872	3,954.79
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each	39,782,187	3,978.22	39,547,872	3,954.79
<b>Total</b>	<b>39,782,187</b>	<b>3,978.22</b>	<b>39,547,872</b>	<b>3,954.79</b>

3.1 The company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. Dividend right is in proportion of number of shares held.

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

3.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Opening Balance	39,547,872	3,954.79	35,172,872	3,517.29
Add:				
ESOP (Refer note 3.3.1)	234,315	23.43	-	-
Fresh Issue via IPO	-	-	4,375,000	437.50
<b>Closing Balance</b>	<b>39,782,187</b>	<b>3,978.22</b>	<b>39,547,872</b>	<b>3,954.79</b>

3.3.1 The Company has issued 234,315 equity shares to its employees on shares vested as on April 10, 2013 under ESOP-II

3.4 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahesh R. Shetty	18,036,803	45.34%	16,956,885	42.88%

3.5 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2014	As at 31 March, 2013
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (Refer note 3.5.1)	34,177,530	34,177,530
Shares bought back	-	-

3.5.1 Out of the above, 867,450 equity shares were issued as bonus in the ratio of 5:1 in FY 2009-10 and 33,310,080 bonus equity shares were issued in the ratio of 32:1 in FY 2010-11.

## 4. Reserves and surplus

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
<b>(a) Securities premium account</b>		
Opening balance	3,099.07	36.57
Add : Premium on shares issued during the year	67.23	3,062.50
Less : Utilised during the year for issuing bonus shares	-	-
Closing balance	3,166.30	3,099.07
<b>(b) Share options outstanding account</b>		
Opening balance	71.01	78.30
Add: Amounts recorded on grants/cancellations during the year	(0.35)	(7.29)
Less: Written back to Statement of Profit and Loss during the year	0.00	0.00
Transferred to Securities premium account	67.23	0.00
	3.43	71.01
Less: Deferred Stock Compensation Expense	(0.04)	(2.40)
Closing Balance	3.39	68.61
<b>(c) General reserve</b>		
Opening balance	3,093.01	2,190.46
Add: Transferred from surplus in Statement of Profit and Loss	1,151.95	910.82
Less: IPO Expenses	-	8.27
Closing balance	4,244.96	3,093.01
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	-	-
Add: Profit / (Loss) for the year	2,199.36	1,835.89
Add: Amounts transferred from reserves	-	-
Less: Interim dividend	895.26	793.30
Tax on interim / final dividend	152.15	131.77
Transferred to:		
General reserve	1,151.95	910.82
Closing balance	-	-
<b>Total</b>	<b>7,414.65</b>	<b>6,260.69</b>

4.1 The Company has during the year declared two interim dividends of ₹ 1 and ₹ 1.25 amounting to ₹ 465.43 lakhs and ₹ 581.98 lakhs (inclusive of dividend distribution tax respectively).

## 5. Other long-term liabilities

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(i) Advance Fees	300.38	839.61
<b>Total</b>	<b>300.38</b>	<b>839.61</b>

5.1 Fees collected in advance from students to the extent of revenue which will not be recognised within the company's operating cycle have been classified as non-current liabilities.

## 6. Long-term provisions

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
Provision for employee benefits:		
(i) Provision for Compensated Absences	56.40	43.63
(ii) Provision for Gratuity (net)	18.29	10.94
<b>Total</b>	<b>74.69</b>	<b>54.57</b>

## 7. Short Term Borrowings

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
Loans repayable on demand		
From related parties (Note 7.1)		
Secured	-	-
Unsecured	193.45	-
	193.45	-
<b>Total</b>	<b>193.45</b>	<b>-</b>

### 7.1 Details of loans and advances from related parties:

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
Lakshya Educare Private Limited (Subsidiary)	193.45	-
<b>Total</b>	<b>193.45</b>	<b>-</b>

## 8. Trade payables

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
<b>Trade payables:</b>		
(a) Acceptances	-	-
(b) Other than Acceptances		
(i) Visiting Faculty Fees	312.04	201.41
(ii) Study Material	-	-
<b>Total</b>	<b>312.04</b>	<b>201.41</b>

## 9. Other current liabilities

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Advances from Customers	2,793.19	3,994.60
(b) Outstanding Expenses	258.58	297.08
(c) Other payables		
(i) Statutory Remittances	128.23	92.96
(ii) Capital Expenditure	328.86	369.67
<b>Total</b>	<b>3,508.86</b>	<b>4,754.31</b>

## 10. Short-term provisions

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
<b>(a) Provision for employee benefits:</b>		
(i) Provision for Compensated Absences	17.56	13.62
(ii) Provision for gratuity (net)	81.99	73.61
	99.55	87.23
<b>(b) Provision - Others:</b>		
(i) Provision for Expenses	546.70	331.74
(ii) Interim Dividend	497.44	397.82
(iii) Dividend Distribution Tax	84.54	67.61
(iv) Provision for IncomeTax	1,153.22	774.00
	2,281.90	1,571.17
<b>Total</b>	<b>2,381.45</b>	<b>1,658.40</b>



## 11. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block		
	As At 01.04.2013	Addi- Tions	Deduc- Tions	Adjust- Ment	As At 31.03.2014	As At 01.04.2013	Addi- Tions	Deduc- Tions	Adjust- Ment	As At 31.03.2014	As At 31.03.2013
(₹ in lakhs)											
11.1 Tangible Assets											
Building	2,711.83	1,030.58	55.80	50.35	3,736.96	133.35	158.91	0.06	0.01	292.21	3,444.75
Plant & Machinery	2,767.18	698.09	55.20	17.98	3,428.05	1,061.77	391.75	36.88	0.02	1,416.66	2,011.39
Furniture & Fixtures	3,477.64	712.37	216.14	(68.33)	3,905.54	1,984.99	470.31	161.13	(0.05)	2,294.12	1,611.42
Vehicle	14.85	2.00	-	-	16.85	0.46	3.85	-	-	4.31	12.54
Bicycle	0.27	-	0.03	-	0.24	0.21	0.01	0.03	-	0.19	0.05
Land	488.28	488.28	-	-	976.56	-	-	-	-	-	976.56
	9,460.05	2,931.32	327.17	-	12,064.20	3,180.78	1,024.83	198.10	(0.02)	4,007.49	8,056.71
11.2 Intangible Assets											
Goodwill											
– Purchased	30.50	-	-	-	30.50	30.50	-	-	-	30.50	-
– Self Generated	59.92	-	-	-	59.92	59.92	-	-	-	59.92	-
Content	438.65	322.72	-	-	761.37	325.69	120.94	-	-	446.63	314.74
Non Compete Fees	126.00	-	-	-	126.00	126.00	-	-	-	126.00	-
ERP - SAP Software	216.62	31.01	-	-	247.63	50.95	46.17	-	-	97.12	150.51
Trademark	0.11	1.11	-	-	1.22	0.11	1.03	-	-	1.14	0.08
License Fees - INK Software	60.56	-	-	-	60.56	21.19	12.11	-	-	33.30	27.26
	932.36	354.84	-	-	1,287.20	614.36	180.25	-	-	794.61	492.59
TOTAL	10,392.41	3,286.16	327.17	-	13,351.40	3,795.14	1,205.08	198.10	(0.02)	4,802.10	8,549.30
Previous Year Figures	6,168.51	4,496.25	272.35	-	10,392.41	3,150.86	833.50	189.23	-	3,795.13	6,597.28
11.3 Capital WIP										511.31	1,096.99
11.4 Intangible assets under development										96.95	123.03

11.5 During the year the Company has reclassified some of its assets. These assets were capitalised during the construction period under a common head of account based on consolidated purchase orders raised for the fixed assets. The Company has therefore during the year reclassified the assets to the appropriate block of asset.

## 12. Non-current investments

₹ in lakhs

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
<b>(a) Investment in equity instruments</b>						
<b>(i) of subsidiaries</b>						
62,000 Equity Shares of ₹ 10 each fully paid up of Chitale's Personalised Learning Private Limited. (Prev. Yr. 41,633 Equity Shares of ₹ 10 Each)	-	180.00	180.00	-	120.00	120.00
10,000 Equity Shares of ₹ 10 each fully paid up of MT Education Services Private Limited. (Prev. Yr. 10,000 Equity Shares of ₹ 10 Each)	-	1.19	1.19	-	1.19	1.19
2,69,506 Equity Shares of ₹ 10 each fully paid up of Lakshya Forum for Competitions Private Limited. (Prev. Yr. NIL)	-	1,200.00	1,200.00	-	-	-
9,000 Equity Shares of ₹ 10 each fully paid up of Lakshya Educare Pvt. Ltd. (Prev. Yr. 9,000 Equity Shares of ₹ 10 Each)	-	0.90	0.90	-	0.90	0.90
<b>(ii) of other entities</b>						
1,250 Equity Shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited (Prev. Yr. 1,250 Equity Shares of ₹ 25 Each)	-	0.31	0.31	-	0.31	0.31
	-	1,382.40	1,382.40	-	122.40	122.40
<b>(b) Investment in debentures or bonds</b>						
<b>(i) of subsidiaries</b>						
33,000, 6% NCD at ₹ 1,000 each of MT Education Services Private Limited (Prev. Yr. 33,000 6% NCD of ₹ 1,000 each)	-	330.00	330.00	-	330.00	330.00
<b>(ii) Others</b>						
24,500, 6% NCD of ₹ 1,000 each of Lakshya Forum for Competitions Private Limited (Prev. Yr. 20,500, 6% NCD of ₹ 1,000 each)	-	245.00	245.00	-	205.00	205.00
	-	575.00	575.00	-	535.00	535.00
<b>Total</b>	-	<b>1,957.40</b>	<b>1,957.40</b>	-	<b>657.40</b>	<b>657.40</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>1,957.40</b>			<b>657.40</b>
Aggregate amount of quoted investments			-			-
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			1,957.40			657.40

12.1 During the year ended March 31, 2014, MT Educare Ltd. acquired 51% stake in Lakshya Forum for Competitions Pvt Ltd for a consideration of ₹ 1,200 lakhs.

**13. Long-term loans and advances**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Capital Advances	72.96	522.38
(b) Security deposits (Premises)	1,501.41	1,423.40
(c) Security deposits (Others)	89.04	61.53
(d) Loans and advances to related parties (Refer note 13.1)	4.79	63.79
(e) Loans and advances to employees	-	0.16
(f) Loans and advances to others	142.65	875.92
(g) Advance Income Tax	105.57	121.24
<b>Total</b>	<b>1,916.42</b>	<b>3,068.42</b>

13.1 Long-term loans and advances include amounts due from:

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
MT Education Services Private Limited (Subsidiary)	4.79	3.79
Chitale's Personalised Learning Private Limited (Subsidiary)	-	60.00
	<b>4.79</b>	<b>63.79</b>

13.2 All the long term loans & advances are unsecured and considered good.

**14. Other non-current assets**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Interest accrued on investments, loans & advances (Refer Note 14.1)	73.58	45.45
<b>Total</b>	<b>73.58</b>	<b>45.45</b>

14.1 Other Non Current Assets includes amount due from:

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
MT Education Services Private Limited (Subsidiary)	54.04	36.22
Lakshya Forum for Competitions Private Limited (Subsidiary)	19.54	2.30
	<b>73.58</b>	<b>38.52</b>

**15. Current investments**

Particulars	₹ in lakhs					
	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value, unless otherwise stated)						
Investment in mutual funds						
DWS Ultra Short Term Fund	-	-	-	90.84	-	90.84
Reliance Liquid Plan - TP - IP - DDR	557.16	-	557.16	505.32	-	505.32
Reliance Dynamic Bond Fund	100.00	-	100.00	600.00	-	600.00
<b>Total - Current investments</b>	<b>657.16</b>	<b>-</b>	<b>657.16</b>	<b>1,196.16</b>	<b>-</b>	<b>1,196.16</b>

15.1

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Aggregate amount of quoted investments			657.16			1,196.16
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			-			-
Aggregate provision for diminution (write down) in the value of other current investments			-			-

## 16. Trade receivables

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Quoted	Unquoted	Quoted	Unquoted
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Secured, considered good		-		-
Unsecured, considered good		431.57		447.70
Doubtful		43.19		20.00
		474.76		467.70
Less: Provision for doubtful trade receivables		43.19		20.00
		431.57		447.70
Other Trade receivables				
Secured, considered good		-		-
Unsecured, considered good		478.42		528.57
Doubtful		91.43		73.62
		569.85		602.19
Less: Provision for doubtful trade receivables		91.43		73.62
		478.42		528.57
<b>Total</b>		<b>909.99</b>		<b>976.27</b>

### 16.1 Trade receivables include debts due from:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Quoted	Unquoted	Quoted	Unquoted
Chitale's Personalised Learning Pvt. Ltd. (Subsidiary)		30.77		7.09
Lakshya Educare Pvt. Ltd. (Subsidiary)		76.78		-
Lakshya Forum for Competitions Pvt. Ltd. (Subsidiary)		36.40		-
		<b>143.95</b>		<b>7.09</b>

## 17. Cash and bank balances

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Quoted	Unquoted	Quoted	Unquoted
(a) Cash on hand		22.14		15.63
(b) Balances with banks				
(i) In current accounts		333.70		103.84
(ii) In deposit accounts held as margin money against guarantee		25.00		-
(iii) In deposit accounts		516.21		2,204.87
(c) Others		-		-
<b>Total</b>		<b>897.05</b>		<b>2,324.34</b>

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 'Cash Flow Statements' is ₹ 870.85 Lakhs (For year ended 31<sup>st</sup> March 2013, the amount is ₹ 2,324.34 lakhs)

Balances with banks includes deposits amounting to ₹ 516.21 lakhs (for the year ended 31<sup>st</sup> March, 2013 the amount is ₹ 2,204.87 lakhs) which have original maturity of more than 12 months.



**18. Short-term loans and advances**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Advances	125.28	165.44
(b) Security deposits (Premises)	106.67	85.89
(c) Security deposits (Others)	5.49	124.55
(d) Loans and advances to employees	29.33	16.66
(e) Loans and advances to others	605.97	108.65
(f) Balances with government authorities	27.47	4.71
(g) Advance Income Tax / TDS	1,014.77	704.88
(h) Loans and advances to related parties (Refer note 18.1)	177.79	-
<b>Total</b>	<b>2,092.77</b>	<b>1,210.78</b>

**18.1 Short-term loans and advances include amounts due from:**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
Lakshya Forum for Competitions Pvt. Ltd. (Subsidiary)	177.79	-
	<b>177.79</b>	<b>-</b>

**18.2 Short-term loans and advances are unsecured and considered good.****19. Other current assets**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Prepaid Expenses	7.15	8.93
(b) Accruals		
(i) VF/AF Salary Recoverable	6.53	3.87
(ii) Interest accrued on investments, loans & advances	17.08	-
<b>Total</b>	<b>30.76</b>	<b>12.80</b>

**20. Revenue from operations**

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) <b>Fees recognised</b>	18,906.28	16,104.26
Less : Discount	(1,598.47)	(1,168.21)
Concession	(230.64)	(176.91)
<b>Total</b>	<b>17,077.17</b>	<b>14,759.14</b>
(b) <b>Other operating revenues</b>		
Government Grants	208.14	298.06
Sale of Hardware / Software / Content (Note 20.1)	782.71	305.09
Others	210.51	51.11
<b>Total</b>	<b>1,201.36</b>	<b>654.26</b>

20.1 The sale of content includes sale of Robomate of ₹ 627.55 lakhs to in-house MT as well as non-MT Students.

## 21. Direct Expenses

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Rent, Rates & Taxes	2,528.25	2,167.68
Electricity	668.91	593.67
Student Material & Test Expenses	958.00	715.82
Student Stipend Expenses (Note 21.1)	8.17	41.44
Bandwidth Charges	13.69	17.94
Visiting Lecturer Fees	4,640.85	4,260.35
	<b>8,817.87</b>	<b>7,796.90</b>

21.1 A part of the government grant in relation to projects undertaken by the company includes amount to be paid to the students who are enrolled under the Government scheme, in the form of stipend.

## 22. Employee benefits expense

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Salaries and wages	2,140.60	1,856.52
Contributions to provident and other funds	114.72	100.89
Expense on employee stock option (ESOP) scheme	2.01	31.55
Temporary Staff Expenses	81.39	104.78
Staff related expenses	104.90	67.90
<b>Total</b>	<b>2,443.62</b>	<b>2,161.64</b>

## 23 Other expenses

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>ADMINISTRATION EXPENSES</b>		
Payment to Auditors (Note 23.1)	24.77	22.95
Director's Sitting Fees	6.20	8.00
Donation	86.06	67.06
Printing & Stationery	59.86	67.20
Professional fees	414.23	302.22
Bad Debts	55.35	30.88
Provision for Bad & Doubtful Debts	41.00	24.54
Repairs & Maintenance	271.35	231.60
Security Charges	42.75	58.05
House keeping Expenses	100.51	158.76
Telephone & Internet	139.50	127.42
Travelling & Conveyance Expenses	211.76	205.02
Other Administrative Expenses	235.39	243.09
<b>Total (A)</b>	<b>1,688.73</b>	<b>1,546.79</b>
<b>SELLING EXPENSES</b>		
Advertisement & Publicity	1,038.42	817.71
Sales Promotion	15.00	40.14
<b>Total (B)</b>	<b>1,053.42</b>	<b>857.85</b>
<b>Total (A) + (B)</b>	<b>2,742.15</b>	<b>2,404.64</b>

23.1

₹ in lakhs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	16.00	14.25
For tax audit	4.00	3.60
For taxation matters	2.00	1.80
For management services	2.77	3.30
<b>Total</b>	<b>24.77</b>	<b>22.95</b>

## 24 Other income

₹ in lakhs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Interest income (Refer note 24.1)	163.51	268.60
(b) Dividend income:		
from current investments	63.45	186.89
from non current investments	-	-
(c) Net gain on sale of:		
current investments	12.99	-
long-term investments	-	-
(d) Net gain on foreign currency transactions and translation	23.42	15.63
(e) Other non-operating income	0.73	11.89
<b>Total</b>	<b>264.10</b>	<b>483.01</b>

24.1

₹ in lakhs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Interest income comprises:		
Interest from banks on:		
Deposits	95.72	203.19
Interest from Others	67.79	65.41
<b>Total</b>	<b>163.51</b>	<b>268.60</b>

## 25. Additional information to the financial statements

## 25.1 Contingent liabilities and commitments (to the extent not provided for)

₹ in lakhs

Particulars	As at 31 March, 2014	As at 31 March, 2013
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
i. Income Tax Demand (Note 25.1.1)	123.40	139.72
(b) Guarantees given by Bank for Govt Project	25.00	-

25.1.1 The Company has filed appeals or proposes to file appeals with income tax authorities against income tax demand raised, for several assessment years totalling to ₹ 123.40 lakhs.

## 25.2 Commitments:

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	321.57	1,510.58
Intangible assets	290.64	32.62
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments	-	-

## 25.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## 25.4 Disclosure of additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956.

Particulars	2013-14	2012-13
(i) Turnover	Nil	Nil
(ii) Stock of Goods	Nil	Nil
(iii) Value of Imports on C.I.F. value	Nil	Nil
(iv) Expenditure in Foreign Currency	Nil	Nil
(v) Import of Finished Goods	Nil	Nil
(vi) Expenditure in Foreign Currency during the Financial Year on account of Royalty, Know-how, Professional & Consultancy, Fees, Interest and other Matters.	Nil	Nil
(vii) F.O.B.Value of Export Sales/Services (Arab Emirates Dirham in lakhs)	12.42	20.57
(viii) Amount remitted in Foreign Currency during the year on account of dividends	Nil	Nil

## 25.5 Disclosures under Accounting Standards

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Earnings per share</b>		
<b>25.5.1 Basic</b>		
Net profit / (loss) for the year from continuing operations	2,199.36	1,835.89
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	2,199.36	1,835.89
Weighted average number of equity shares	39,752,014	39,416,023



Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	5.53	4.66
<b>25.5.2 Diluted</b>		
Net profit / (loss) for the year from continuing operations	2,199.36	1,835.89
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	2,199.36	1,835.89
Profit / (loss) attributable to equity shareholders (on dilution)	2,199.36	1,835.89
Weighted average number of equity shares for Basic EPS	39,752,014	39,416,023
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	10,578	216,722
Weighted average number of equity shares - for diluted EPS	39,762,592	39,632,745
Par value per share	10.00	10.00
Earnings per share, from continuing operations - Diluted	5.53	4.63

**25.6 Deferred tax (liability) / asset**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
Tax effect of items constituting deferred tax liabilities	-	-
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	59.23	48.20
Provision for doubtful debts / advances	45.76	31.82
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	18.69	-
On difference between book balance and tax balance of fixed assets	342.02	330.45
Tax effect of items constituting deferred tax assets	465.70	410.47
Net deferred tax (liability) / asset	465.70	410.47

**25.7.1 Employee stock options details as on the Balance Sheet date are as follows:**

Particulars	₹ in lakhs	
	During the year ended 31 March, 2014	During the year ended 31 March, 2013
	Options (Numbers)	Options (Numbers)
Option outstanding at the beginning of the year:	247,485	272,912
Granted during the year	-	-
Vested during the year	234,315	-
Exercised during the year	234,315	-
Lapsed during the year	1,217	25,427
Options outstanding at the end of the year	11,953	247,485
Options available for grant	26,644	25,427

**25.7.2 Expenses arising from stock option plan during the year / period**

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
ESOP 2011-II	2.01	31.55
<b>Total</b>	<b>2.01</b>	<b>31.55</b>

## 25.8 Related party transactions

### 25.8.1 Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Chitale's Personalised Learning Private Limited , MT Education Services Private Limited , Lakshya Educare Private Limited , Lakshya Forum for Competitions Pvt. Ltd.
Key Management Personnel (KMP)	Mahesh R. Shetty, Dr. Chhaya Shastri
Enterprises in which KMP can exercise significant influence	Mahesh Tutorials Chembur, Mahesh Tutorials Mulund, Global Education Trust, Prosynapse Consultants Pvt. Ltd.

Note: Related parties have been identified by the Management.

### Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

	Subsidiaries	KMP	₹ in lakhs Entities in which KMP / relatives of KMP have significant influence
Directors Remuneration - Mr. Mahesh Shetty		129.00	
		[103.50]	
Dividend - Mr. Mahesh Shetty		349.94	
		[245.87]	
Dividend - Dr. Chhaya Shastri		34.35	
		[24.90]	
Professional Fees - Prosynapse Consultants Pvt. Ltd.			96.00
			[87.40]
Rent Expense - Mr. Mahesh Shetty		11.14	
		[10.89]	
Rent Expense - Mahesh Tutorials Chembur			85.18
			[82.55]
Rent Expense - Mahesh Tutorials Mulund			28.23
			[27.36]
Interest on Debentures - Lakshya Forum for Competitions Pvt. Ltd.	14.54		
	[2.55]		
Interest on Debentures - MT Education Services Pvt. Ltd.	19.80		
	[19.80]		
Interest on Loan - Lakshya Forum for Competitions Pvt. Ltd.	4.61		
	[-]		
Donation - Global Education Trust			85.37
			[64.92]
Sponsorship Charges - Global Education Trust			16.80
			[-]
Management Fee Income - Lakshya Forum for Competitions Pvt. Ltd.	36.00		
	[-]		
Management Fee Income - Chitale's Personalised Learning Pvt. Ltd.	48.26		
	[42.06]		
Rent Income - Lakshya Educare Pvt. Ltd.	76.81		
	[-]		
Rent Income - Chitale's Personalised Learning Pvt. Ltd.	24.18		
	[10.03]		

		₹ in lakhs
	<b>Subsidiaries</b>	<b>KMP      Entities in which KMP / relatives of KMP have significant influence</b>
Loans and advances taken - Lakshya Educare Pvt. Ltd.	201.93	
	[-]	
Loans and advances repaid by Company - Lakshya Educare Pvt. Ltd.	8.48	
	[-]	
Loans and advances given - Lakshya Forum for Competitions Pvt. Ltd.	232.39	
	[21.27]	
Loans and advances given - MT Education Services Pvt. Ltd.	1.00	
	[2.00]	
Loans and advances repaid to Company - Lakshya Forum for Competitions Pvt. Ltd.	50.46	
	[21.27]	
Sale of fixed assets - Chitale's Personalised Learning Pvt. Ltd.	15.02	
	[-]	
<b>Balances outstanding at the end of the year</b>		
Outstanding Directors Remuneration - Mr. Mahesh Shetty		6.70
		[-]
Outstanding Professional Fee - Prosynapse Consultants Pvt. Ltd.		8.09
		[7.36]
Interest on Debentures - MT Education Services Pvt. Ltd.	54.04	
	[36.22]	
Interest on Debentures - Lakshya Forum for Competitions Pvt. Ltd.	15.39	
	[2.29]	
Investment in Shares - MT Education Services Pvt. Ltd.	1.19	
	[1.19]	
Investment in Shares - Lakshya Forum for Competitions Pvt. Ltd.	1,200.00	
	[-]	
Investment in Shares - Lakshya Educare Pvt. Ltd.	0.90	
	[0.90]	
Investment in Shares - Chitale's Personalised Learning Pvt. Ltd.	180.00	
	[180.00]	
Interest on Loan - Lakshya Forum for Competitions Pvt. Ltd.	4.15	
	[-]	
Management Fee Income - Chitale's Personalised Learning Pvt. Ltd.	23.91	
	[5.86]	
Management Fee Income - Lakshya Forum for Competitions Pvt. Ltd.	36.40	
	[-]	
Rent Income - Chitale's Personalised Learning Pvt. Ltd.	6.86	
	[1.23]	
Rent Income - Lakshya Educare Pvt. Ltd.	76.78	
	[-]	
Investment in Debentures - Lakshya Forum for Competitions Pvt. Ltd.	245.00	
	[205.00]	
Investment in Debentures - MT Education Services Pvt. Ltd.	330.00	
	[330.00]	

	Subsidiaries	KMP	₹ in lakhs Entities in which KMP / relatives of KMP have significant influence
Loan given - MT Education Services Pvt. Ltd.	4.79		
	[3.79]		
Loan given - Lakshya Forum for Competitions Pvt. Ltd.	177.79		
	[-]		
Deposit for Premises - Mr. Mahesh Shetty		7.47	
		[7.47]	
Deposit for Premises - Mahesh Tutorials Chembur			29.76
			[29.76]
Deposit for Premises - Mahesh Tutorials Mulund			11.28
			[11.28]

Note: Figures in bracket relates to the previous year

25.9

#### Particulars

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>As Lessee</b>		
The Company has entered into operating lease arrangements for certain facilities and Coaching Center premises. The leases are over a period of 2 to 10 years and may be renewed for a further period on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	2,400.04	2,081.86

25.10 The Company has entered into arrangements with franchisees for conducting commercial training, coaching and tutorial classes. As per the agreements entered into with these franchisees, the franchisees are required to pay an upfront fee as brand fees to the Company, which is for a period of 3 years. Monies received by the Company as brand fees are recognised as income over this period of 3 years.

In addition to the above mentioned upfront fees, the franchisees are required to pay commission/royalty at the rates to be calculated as per the agreements entered into with them.

25.11 The Company operates in one business segment hence the reporting requirement pertaining to Accounting Standards 17 on "Segment Reporting" are not applicable.

25.12 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



**25.13 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges****25.13.1 Loans and advances in the nature of loans given to subsidiaries, associates and others:**

<b>Name of the Party</b>	<b>Relationship</b>	<b>Amount Outstanding as on March 31, 2014</b>	<b>Max. Amount Outstanding during the year</b>
MT Education Services Pvt. Ltd	Subsidiary	4.79	4.79
MT Educare Charitable Trust	Others	557.49	557.49
Teaching Faculty Members	Others	170.48	202.37
Employees	Others	29.33	72.45
Shankara Gouda Police Patil Trust	Others	20.00	20.00

**25.13.2 Investment in shares of the Company by subsidiaries & associates**

Nil

**25.14 Employee benefit plans****25.14.1 Defined contribution plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 85.39 Lakhs (Year ended 31 March, 2013 ₹ 69.02 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**25.14.2 Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

**i. Gratuity**

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

<b>Particulars</b>	<b>₹ in lakhs</b>	
	<b>Year ended 31 March, 2014</b>	<b>Year ended 31 March, 2013</b>
<b>Components of employer expense</b>		
Current service cost	19.56	18.95
Interest cost	11.48	9.53
Expected return on plan assets	(5.53)	(1.48)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	3.24	4.28
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>28.75</b>	<b>31.28</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	10.50	2.55
Actual contributions	13.01	45.00
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(172.41)	(148.16)
Fair value of plan assets	72.12	63.61
Funded status [Surplus / (Deficit)]	(100.29)	(84.55)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(100.29)</b>	<b>(84.55)</b>

₹ in lakhs		
Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	148.16	115.50
Current service cost	19.56	18.95
Interest cost	11.48	9.53
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	3.71	6.73
Past service cost	-	-
Benefits paid	(10.50)	(2.55)
Present value of DBO at the end of the year	172.41	148.16
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	63.61	17.23
Acquisition adjustment	-	-
Expected return on plan assets	5.53	1.48
Actual company contributions	13.01	45.00
Actuarial gain / (loss)	0.47	2.45
Benefits paid	(10.50)	(2.55)
Plan assets at the end of the year	72.12	63.61
Actual return on plan assets	6.01	3.93
<b>Composition of the plan assets is as follows:</b>		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	72.12	63.61
<b>Actuarial assumptions</b>		
Discount rate	8.93%	7.75%
Expected return on plan assets	8.70%	8.70%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate table.	Indian Assured Lives Mortality (2006-08) Ultimate table.
Estimate of amount of contribution in the immediate next year	81.99	73.61

## 25.14.3 Actuarial assumptions for long-term compensated absences

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Discount rate	8.93%	8.25%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

## 25.15 Utilisation of IPO Proceeds

Particulars	Amount ₹ in lakhs
<b>Amount received from IPO (A)</b>	<b>3,500.00</b>
Deployment of Funds Received from IPO:	
Financing cost of construction of PUC Campus in Karnataka	2,000.00
Establishing New Coaching Centres	293.15
Issue Expenses	353.10
General Corporate Purposes	646.90
<b>Total Deployment of Funds till March 31, 2014 (B)</b>	<b>3,293.15</b>
<b>Balance Amount to be Utilized lying in bank accounts or invested in liquid mutual funds (A-B)</b>	<b>206.85</b>

In terms of our report attached.

For **Shaparia & Mehta**

Chartered Accountants

Firm Reg No.: 112350W

**Jayavanti Shah**

Partner

Membership No.: 043710

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**

Chairman & Managing Director

**Dr. Chhaya Shastri**

Director

**Mr. Yagnesh Sanghrajka**

Chief Financial Officer

**Mr. Ashwin Patel**

Company Secretary

Place : Mumbai

Dated: 14<sup>th</sup> May, 2014

# INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF  
**MT EDUCARE LIMITED**

## Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of **MT Educare Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from any material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted the audit in accordance with the standard on auditing issued by The Institute of Chartered Accountants of India. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due

to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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 Consolidated Financial Statements.

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

## Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
  - b) in the case of Consolidated Statement of Profit and Loss Account, of the profit of the Group for the year ended on that date and
  - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Shaparia & Mehta**  
Chartered Accountants  
FRN No.112350W

**Jayavanti Shah**  
Partner  
Membership No.: 043710

Place: Mumbai  
Date: 14<sup>th</sup> May, 2014.



# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2014

		₹ in lakhs	
Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	3,978.22	3,954.79
(b) Reserves and surplus	4	7,217.48	6,159.60
(c) Money received against share warrants		-	-
		<b>11,195.70</b>	<b>10,114.39</b>
<b>2 Share application money pending allotment</b>		-	2.00
<b>3 Minority Interest</b>		(66.62)	(16.31)
<b>4 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		0.30	0.60
(c) Other long-term liabilities	5	300.38	839.61
(d) Long-term provisions	6	118.13	57.51
		<b>418.81</b>	<b>897.72</b>
<b>5 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	7	383.30	203.48
(c) Other current liabilities	8	3,936.68	4,902.10
(d) Short-term provisions	9	2,426.05	1,669.16
		<b>6,746.03</b>	<b>6,774.74</b>
<b>TOTAL</b>		<b>18,293.92</b>	<b>17,772.54</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.1	8,271.09	6,296.48
(ii) Intangible assets	10.2	507.34	355.07
(iii) Capital work-in-progress	10.3	541.07	1,096.99
(iv) Intangible assets under development	10.4	113.69	123.03
(v) Fixed assets held for sale		-	-
(vi) Goodwill on Consolidation		1,346.87	64.96
		<b>10,780.06</b>	<b>7,936.53</b>
(b) Non-current investments	11	78.46	205.31
(c) Deferred tax assets (net)		465.70	410.47
(d) Long-term loans and advances	12	1,965.54	3,020.13
(e) Other non-current assets	13	-	9.22
		<b>2,509.70</b>	<b>3,645.13</b>
<b>2 Current assets</b>			
(a) Current investments	14	1,127.99	1,531.25
(b) Inventories		5.35	4.39
(c) Trade receivables	15	890.50	1,001.86
(d) Cash and bank balance	16	979.94	2,419.78
(e) Short-term loans and advances	17	1,969.62	1,220.06
(f) Other current assets	18	30.76	13.54
		<b>5,004.16</b>	<b>6,190.88</b>
<b>TOTAL</b>		<b>18,293.92</b>	<b>17,772.54</b>
See accompanying notes forming part of the financial statements		1-25	

In terms of our report attached.

For **Shaparia & Mehta**

Chartered Accountants

Firm Reg No.: 112350W

**Jayavanti Shah**

Partner

Membership No.: 043710

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**

Chairman &amp; Managing Director

**Dr. Chhaya Shastri**

Director

**Mr. Yagnesh Sanghrajka**

Chief Financial Officer

**Mr. Ashwin Patel**

Company Secretary

Place : Mumbai

Dated : 14<sup>th</sup> May, 2014

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the period ended 31<sup>st</sup> March, 2014

₹ in lakhs

Particulars	Note No.	For the period ended 31 March, 2014	For the period ended 31 March, 2013
1 Fees	19	19,009.42	15,049.30
Operating income	19	1,170.85	678.83
<b>Revenue from operations (net)</b>		<b>20,180.27</b>	<b>15,728.13</b>
<b>2 Expenses</b>			
Purchase of Traded Goods		40.21	127.42
Change in Inventories		(0.96)	(4.39)
Direct Expenses	20	9,954.77	8,037.23
Personnel (Employee Benefits)	21	2,855.76	2,189.18
Other Expenses	22	3,095.66	2,445.95
<b>Total</b>		<b>15,945.44</b>	<b>12,795.39</b>
<b>3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)</b>		<b>4,234.83</b>	<b>2,932.74</b>
4 Finance costs		0.75	-
5 Depreciation and amortisation expense	10	1,283.62	859.35
6 Other income	23	238.77	465.13
<b>7 Profit / (Loss) before exceptional and extraordinary items and tax (3 + 4 + 5 + 6)</b>		<b>3,189.23</b>	<b>2,538.52</b>
8 Exceptional items		-	-
<b>9 Profit / (Loss) before extraordinary items and tax (7 + 8)</b>		<b>3,189.23</b>	<b>2,538.52</b>
10 Extraordinary items		-	-
<b>11 Profit / (Loss) before tax (9 + 10)</b>		<b>3,189.23</b>	<b>2,538.52</b>
<b>12 Tax expense</b>			
(a) Current tax expense for current year		1,158.84	780.85
(b) Current tax expense relating to prior years		10.24	(23.13)
(c) Net current tax expense		1,169.08	757.72
(d) Deferred tax	24.6	(55.54)	(0.78)
		1,113.54	756.94
<b>13 Profit / (Loss) for the year (11-12)</b>		<b>2,075.69</b>	<b>1,781.58</b>
<b>14 Prior Period Items</b>		<b>-</b>	<b>-</b>
<b>15 Profit / (Loss) for Appropriation (13 + 14)</b>		<b>2,075.69</b>	<b>1,781.58</b>
Minority Interest		(27.59)	(23.09)
Profit / (Loss) for Appropriation after minority interest		2,103.28	1,804.67
<b>16.i Earnings per share (of ₹ 10 each):</b>			
(a) Basic	24.5.1	5.29	4.58
(b) Diluted	24.5.2	5.29	4.55
<b>16.ii Earnings per share (excluding extraordinary items) (of ₹ 10 each):</b>			
(a) Basic	24.5.1	5.29	4.58
(b) Diluted	24.5.2	5.29	4.55
See accompanying notes forming part of the financial statements	1-25		

In terms of our report attached.

For **Shaparia & Mehta**

Chartered Accountants

Firm Reg No.: 112350W

**Jayavanti Shah**

Partner

Membership No.: 043710

Place : Mumbai

Dated: 14<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**

Chairman & Managing Director

**Dr. Chhaya Shastri**

Director

**Mr. Yagnesh Sanghrajka**

Chief Financial Officer

**Mr. Ashwin Patel**

Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March, 2014

₹ in lakhs

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
<b>A Cash flow from operating activities</b>				
Net Profit/(Loss) before extraordinary items and tax		3,189.24		2,538.52
<b>Adjustments for:</b>				
Depreciation and amortisation		1,283.62		859.35
Expense on employee stock option scheme		2.01		31.55
Finance costs		0.75		-
Interest income		(129.18)		(248.80)
Dividend income		(72.44)		(188.81)
Net (gain)/loss on sale of investments		(12.99)		-
Net (gain)/loss on sale of fixed assets		65.39		24.56
Provision for doubtful trade receivables, loans and advances		99.26		55.42
Amount Written Off		(8.31)		1.03
Net unrealised exchange (gain)/loss		(28.82)	1,199.29	(14.02)
Operating cash flow before working capital changes		4,388.53		3,058.80
<b>Changes in working capital:</b>				
(Increase)/Decrease in Trade receivables		35.94		(405.42)
(Increase)/Decrease in Loans and advances and others		(463.69)		373.95
(Increase)/Decrease in Inventories		(0.96)		(4.39)
Increase/(Decrease) in Trade payables		179.22		91.17
Increase/(Decrease) in Other Liabilities & Provisions		(1,372.76)	(1,622.25)	309.89
Cash generated from operations		2,766.28		3,424.00
Net income tax (paid)/refunds		(1,091.77)		(725.48)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>1,674.51</b>		<b>2,698.52</b>
<b>B Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances (Net of proceeds on sale)		(2,353.52)		(4,344.63)
Current investments not considered as cash and cash equivalents		397.16		(460.99)
Purchase/Sale of long-term investments				
- Equity Shares in Subsidiaries/Joint Ventures		(600.00)		330.00
- Debentures in Subsidiaries		-		(205.00)
Advance for Purchase of equity shares in subsidiaries		-		(600.00)
Interest received on debentures/fixed deposits		114.41		242.11
Dividend on MF received		68.06		186.88
Dividend on Shares received		1.85		0.01
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(2,372.04)</b>		<b>(4,851.62)</b>
<b>C Cash flow from financing activities</b>				
Proceeds from issue of equity shares		23.43		3,500.10
Share Application Money		-		2.00
Security Deposit to Stock Exchanges		99.00		-
Fresh/(Repayment) of other short-term borrowings		(106.61)		-
Share Issue Expenses		-		(493.12)
Reimbursement of Share Issue Expenses		-		460.70
Finance cost		(0.75)		-
Dividends paid		(795.64)		(573.45)
Tax on dividend		(135.22)	(915.79)	(93.03)
Cash flow from extraordinary items		-		-
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>(915.79)</b>		<b>2,803.20</b>

₹ in lakhs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(1,613.32)	650.10
Cash and cash equivalents at the beginning of the year	2,419.78	1,762.26
Cash and cash equivalents added on acquisition	139.09	-
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	8.19	7.42
<b>Cash and cash equivalents at the end of the year</b>	<b>953.74</b>	<b>2,419.78</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	979.94	2419.78
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	26.20	-
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19</b>	<b>953.74</b>	<b>2,419.78</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)	-	-
<b>Cash and cash equivalents at the end of the year *</b>	<b>953.74</b>	<b>2,419.78</b>
* Comprises		
(a) Cash on hand	61.25	16.87
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	346.54	198.04
(ii) In EEFC accounts	-	-
(iii) In deposit accounts with original maturity of less than 3 months	545.96	2,204.87
(iv) In earmarked accounts	-	-
(d) Others	-	-
(e) Current investments considered as part of Cash and cash equivalents	-	-
	<b>953.74</b>	<b>2,419.78</b>

#### Notes

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.  
See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Shaparia & Mehta**  
Chartered Accountants  
Firm Reg No.: 112350W

**Jayavanti Shah**  
Partner  
Membership No.: 043710

Place : Mumbai  
Dated: 14<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**  
Chairman & Managing Director

**Mr. Yagnesh Sanghrajka**  
Chief Financial Officer

**Dr. Chhaya Shastri**  
Director

**Mr. Ashwin Patel**  
Company Secretary



## NOTES forming part of the financial statements

### 1. Corporate information

MT Educare Limited (earlier MT Educare Private Limited) ('MTEL' or 'the Company') was incorporated under the Companies Act, 1956 on 19th August, 2006 and is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

The Company is now a public limited company and has received fresh certificate of incorporation dated 18th May, 2011. Thereon, it has changed its name from MT Educare Private Limited to MT Educare Limited.

The Company came out with its Initial Public Offer (IPO) on 27th March, 2012 and the IPO closed on 29th March, 2012. The Company was listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 12th April, 2012.

### 2. Significant accounting policies

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and except for the changes if any, in accounting policy discussed herein below in detail, are consistent with those used in the previous year.

The Company follows Mercantile System of accounting and recognizes income and expenditure on accrual basis.

All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities into current and non current.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statement and the result of operations during the reporting period. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 2.3 Cash and cash equivalents

Cash comprises cash on hand, bank balances and demand deposits with banks.

#### 2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.5 Depreciation and amortisation

Depreciation on all assets is provided on Written Down Value method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Individual item(s) costing less than ₹ 5,000 and not forming part of cluster of Assets (Chairs, benches, etc.) are written off at the rate of 100%.

Depreciation on assets acquired / sold during the year is provided on pro-rata basis with reference to the date of installation / put to use, in the books or disposal.

Depreciation on leasehold improvements is provided at the rates applicable to furniture & fixtures and in the manner specified in Schedule XIV of the Companies Act, 1956.

#### 2.6 Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

#### 2.7 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and revenue can be reliably ascertained.

Revenue from fees received is recognized equally over the period of service rendered (course duration). At the time of admission, fees received from students are booked at gross amount and shown as 'advance fees'. Discounts and concessions are accounted for separately in a similar manner. The Company has introduced Course Registration Fees (CRF) as part of the Course Fees. The CRF forms part of the total fees and is non refundable. The Company receives CRF as part of the initial payment made by a student and recognises the same on admission.

Upfront fee received from franchisees as brand fees is recognized as income over the period of the agreement.

Commission or royalty received from the franchisees is recognized as per the terms of agreements entered into with them.

The Company has entered into agreements/arrangements with Colleges on revenue sharing basis where the same is recognised on mutually agreed terms and accounted as Management Fees.

The Company has for the first time during the year sold its content on pre-recorded CDs, software and hardware. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer. Sales are exclusive of sales tax, rebates and discounts.

The Company has adopted Income Approach to recognize Government Grants. As per AS 12 on Government Grants issued by ICAI, government grants should be recognized in the Profit and Loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

The Company has during the year introduced "Robomate" a teaching application (recorded lectures of expert faculty) which is sold online and/or offline through a pen drive/ sd card/ tablet. Sale of Robomate with respect to MT students forms part of the total fees. The revenue for the same is recognized on delivery/ installation of the same at the students location.

## 2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 2.9 Fixed Assets and Capital Work In Progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Rent paid for the period beginning/commencing from taking over vacant possession of the premises and ending with the date of completion of project/improvements or for a period of 3 months, whichever is earlier, is capitalized under leasehold improvements.

Capital Work-In-Progress are assets not ready for the intended use as at the Balance Sheet date and include assets at new centres which have not commenced operations till 31 March 2014.

In case of centers closed down or relocated during the period, Written Down Value (WDV) of

leasehold improvements / fixtures as on the date on which the centre is closed down / relocated have been fully written off.

## 2.10 Intangible assets

An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where the cost can be reliably ascertained. Intangible asset are stated at cost of acquisition less accumulated amortization. Amortization of the intangible assets is provided on pro-rata basis on Straight Line Method based on management's estimate of useful life of the assets

- (i) A period of 3 years on non-compete fees and Technology Aided Teaching (TAT).
- (ii) A period of 3 years on goodwill, based on management's current estimate of useful life of the asset.
- (iii) A period of 5 years on ERP - SAP Software.
- (iv) A period of 5 years on purchase of License for Online teaching.

Expenses incurred on in-house development of courseware and products are shown as Capital Work In Progress till the time they have been put to use. They shall be capitalized either individually or as a knowledge bank in the form of Technology Aided Teaching (TAT) / Multimedia Software. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Accounting Standard 26, "Intangible Assets" issued by ICAI.

## 2.11 Foreign currency transactions and translations

### Initial recognition

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising on subsequent settlement of such transactions are accounted as income or expenses in the period in which they are settled and arise.

### Foreign Operations.

The accounts of the branch are consolidated by integral system of branch accounting. Transactions for a month are translated using the exchange rate prevailing at the end of the month, which approximates the average exchange rate. Any exchange gain / (loss) arising on the translation of the financial statement is taken to the Profit & Loss Account.

## 2.12 Government grants, subsidies and export incentives

The Company has adopted Income Approach to recognize Government Grants. As per AS 12 on Government Grants issued by ICAI, government grants should be recognized in the profit and

loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

The expenses incurred in relation to the Scheme are debited to Profit & Loss Account. An appropriate amount in respect of such grant, recognizing the amount of grant over the period of service rendered, is credited to income for the year even though the actual amount of such benefits may finally be settled and received after the end of the relevant accounting period.

### 2.13 Investments

Long term investments are valued at cost with an appropriate provision for permanent diminution in value, if any.

Investment that is readily realizable and is intended to be held for not more than one year is valued at lower of cost or realizable value.

### 2.14 Employee benefits

#### A. Provident Fund

As per the Employees Provident Funds and Miscellaneous Provision Act, 1952 employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. The Company's contribution to the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related services. The Company has no other obligation to the plans beyond its monthly compensations.

#### *Defined contribution plans*

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

#### B. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Company makes annual contributions, premiums in respect of all qualifying employees to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of

employment in accordance with the Payment of Gratuity Act, 1972. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation at year end, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

The yearly premium paid to LIC of India is charged to Profit & Loss Account of the year in which it becomes payable.

#### C. Leave Entitlement

The Company has a policy of paying Leave Encashment benefits to its employees only in the event of their resignation, based on their accumulated leave balances in accordance with the provisions of "The Bombay Shops and Establishment Act, 1948". As per the policy of the Company, an employee can accumulate a maximum of 39 days leave over a period of 2 years, after which the leave would lapse.

#### *Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### *Long-term employee benefits*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

### 2.15 Segment reporting

The Company's business activities fall within a single segment viz. conducting commercial

training, coaching, tutorial classes and activities incidental and ancillary thereon. In case of geographical (secondary) segment, since segment assets and segment revenue do not exceed 10% of total business, segment reporting is not required.

## 2.16 Leases

### Operating Leases

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased premises during the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a monthly accrual basis as per agreements, except in case of newly rented premises where the rent paid for the period beginning/ commencing from taking over vacant possession of premises and ending with date of completion of the improvements/project or rent paid for 3 months, whichever is earlier, is capitalized and added to the cost of leasehold improvements.

## 2.17 Earnings per share

Basic Earnings Per Share is calculated by dividing the Net Profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of Equity Shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus, granting and vesting employee stock options to employees. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

## 2.18 Taxes on income

Current period tax is ascertained and accounted at the amount expected to be paid to Income tax authorities in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 2.19 Provisions and contingencies

A provision is recognized when there is a present obligation as a result of a past event; it

is probable that an outflow of resources will be required to fulfill the obligation and in respect of which reliable estimate can be made. Provisions other than employee benefits are not discounted to their present value and are determined based on best estimate required to fulfill the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but are discussed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## 2.20 Principles of Consolidation

The consolidated financial statements are prepared under historical conversions and on an accrual basis of accounting, in accordance with Indian GAAP and the relevant provisions of the Companies Act, 1956, including the applicable Accounting Standards.

The financial statements of the Company, subsidiaries have been consolidated in accordance with Accounting Standard 21 (AS 21) issued by Institute of Chartered Accountants of India (ICAI), and using uniform accounting policies for similar transactions and other events in similar circumstances to the extent wherever practicable. The consolidated financial statements have been prepared on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions. Any excess of the cost of Company of its investment in the subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognized in the financial statements as "Goodwill on Consolidation" and carried forward in the accounts. Goodwill is not amortized, however, it is tested for impairment at each balance sheet date and any impairment, if applicable, is provided for. Alternatively, where the share of the equity in the subsidiaries as on the date of investments is in excess of cost of investment of the Company, it is recognized as "Capital Reserve on Consolidation". The net amount of Capital Reserve after setoff of the Goodwill amount is presented under "Reserve and Surplus". Where a subsidiary included in the consolidation, reports losses, the losses applicable to the minority may exceed the minority interest in the equity of the subsidiary. The excess and any further losses applicable to the minority are adjusted against the majority interest, except to the extent that the minority has a binding contractual obligation and is in a position of making further contribution to make good such excessive share of losses. In such cases, the minority interest of the relevant subsidiary is shown as a debit balance.

### 3. Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) <b>Authorised</b>				
Equity shares of ₹ 10 each	42,000,000	4,200.00	42,000,000	4,200.00
(b) <b>Issued</b>				
Equity shares of ₹ 10 each	39,782,187	3,978.22	39,547,872	3,954.79
(c) <b>Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	39,782,187	3,978.22	39,547,872	3,954.79
<b>Total</b>	<b>39,782,187</b>	<b>3,978.22</b>	<b>39,547,872</b>	<b>3,954.79</b>

3.1 The company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. Dividend right is in proportion of number of shares held.

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

3.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 March, 2014		Year ended 31 March, 2013	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Opening Balance	39,547,872	3,954.79	35,172,872	3,517.29
Add:				
Fresh Issue (Refer Note 3.4.1)	234,315	23.43	-	-
Fresh Issue via IPO	-	-	4,375,000	437.50
<b>Closing Balance</b>	<b>39,782,187</b>	<b>3,978.22</b>	<b>39,547,872</b>	<b>3,954.79</b>

3.3.1 The Company has issued 234,315 equity shares to its employees on shares vested as on April 10, 2013 under ESOP-II

3.4 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Mahesh R. Shetty	18,036,803	45.34%	16,956,885	42.88%

3.5 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2014	As at 31 March, 2013
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (Refer note 3.5.1)	34,177,530	34,177,530
Shares bought back	-	-

3.5.1 Out of the above, 867,450 equity shares were issued as bonus in the ratio of 5:1 in 2009-10 and 33,310,080 bonus equity shares were issued in the ratio of 32:1 in 2010-11



#### 4. Reserves and surplus

Particulars	₹ in lakhs	
	As at 31 March 2014	As at 31 March 2013
<b>(a) Securities premium account</b>		
Opening balance	3,099.07	36.57
Add : Premium on shares issued during the year (Refer note 4.1)	67.23	3,062.50
Less : Utilised during the year for issuing bonus shares	-	-
Closing balance	<b>3,166.30</b>	<b>3,099.07</b>
<b>(b) Share options outstanding account</b>		
Opening balance	71.01	78.30
Add: Amounts recorded on grants/modifications/cancellations during the year	(0.35 )	(7.29 )
Less: Written back to Statement of Profit and Loss during the year	-	-
Transferred to Securities premium account	67.23	-
Closing balance	3.43	71.01
Less: Deferred Stock Compensation Expense	(0.04)	(2.40)
Closing balance	<b>3.39</b>	<b>68.61</b>
<b>(c) General reserve</b>		
Opening balance	2,991.92	2,120.92
Add: Transferred from surplus in Statement of Profit and Loss	1,055.87	879.61
Less: Share of Profit /(Loss) Adjusted	-	(0.34 )
Less: IPO Expenses	-	(8.27 )
Closing balance	<b>4,047.79</b>	<b>2,991.92</b>
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	-	-
Add: Profit / (Loss) for the year	2,103.28	1,804.67
Amounts transferred from reserves	-	-
Less: Interim dividend	895.26	793.30
Less: Final dividend	-	-
Tax on dividend	152.15	131.76
Transferred to:		
General reserve	1,055.87	879.61
Closing balance	-	-
<b>Total</b>	<b>7,217.48</b>	<b>6,159.60</b>

4.1 The Company has during the year declared two interim dividends of ₹ 1 and ₹ 1.25 amounting to ₹ 465.43 lakhs and ₹ 581.98 lakhs respectively, inclusive of dividend distribution tax.

#### 5. Other long-term liabilities

Particulars	₹ in lakhs	
	As at 31 March 2014	As at 31 March 2013
<b>(i) Advance Fees</b>	<b>300.38</b>	<b>839.61</b>
<b>Total</b>	<b>300.38</b>	<b>839.61</b>

5.1 Fees collected in advance from students to the extent of revenue which will not be recognised within the company's operating cycle have been classified as non-current liabilities.

**6. Long-term provisions**

₹ in lakhs

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Provision for employee benefits:		
(i) Provision for leave encashment	57.39	44.77
(ii) Provision for gratuity (net)	60.74	12.74
<b>Total</b>	<b>118.13</b>	<b>57.51</b>

**7. Trade payables**

₹ in lakhs

Particulars	As at 31 March 2014	As at 31 March 2013
Trade payables:		
Acceptances	-	-
Other than Acceptances		
Visiting Faculty Fees	375.75	202.82
Study Material	7.55	0.66
<b>Total</b>	<b>383.30</b>	<b>203.48</b>

**8. Other current liabilities**

₹ in lakhs

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Advance Fees	3,103.04	4,121.63
(b) Outstanding Expenses	303.27	300.61
(c) Other payables		
(i) Statutory Remittances	151.27	101.63
(ii) Capital Expenditure	349.19	377.76
(iii) Others	29.91	0.47
<b>Total</b>	<b>3,936.68</b>	<b>4,902.10</b>

**9. Short-term provisions**

₹ in lakhs

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Provision for employee benefits		
(i) Provision for bonus	2.17	-
(ii) Provision for compensated absences	17.83	13.74
(iii) Provision for gratuity (net)	83.93	75.52
	103.93	89.26
(b) Provision - Others		
(i) Provision for Expenses	586.92	332.69
(ii) Interim dividend	497.44	397.82
(iii) Dividend Distribution Tax	84.54	67.61
(iv) Provision for Income Tax	1,153.22	781.78
	2,322.12	1,579.90
<b>Total</b>	<b>2,426.05</b>	<b>1,669.16</b>

10.5 During the year the Company has reclassified some of its assets. These assets were capitalised during the construction period under a common head of account based on consolidated purchase orders raised for the fixed assets. The Company has therefore during the year reclassified the assets to the appropriate block of asset.

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**11. Non-current investments**

₹ in lakhs

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
<b>Trade</b>						
(a) <b>Investment in equity instruments</b>						
(i) of entities other than subsidiaries/ associates 1,250 Equity Shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	-	0.31	0.31	-	0.31	0.31
		0.31	0.31	-	0.31	0.31
Nil 6% NCD of ₹ 1,000 each of Lakshya Forum for Competitions Private Limited (Prev. Yr. 20,500 units)	-	-	-	205.00	-	205.00
	-	0.31	0.31	205.00	0.31	205.31
(b) <b>Investment in Property in Ghazipur Village</b>	-	78.15	78.15	-	-	-
<b>Total - Trade (A)</b>	-	<b>78.46</b>	<b>78.46</b>	<b>205.00</b>	<b>0.31</b>	<b>205.31</b>
Other investments	-	-	-	-	-	-
<b>Total - Other investments (B)</b>	-	-	-	-	-	-
<b>Total (A+B)</b>	-	<b>78.46</b>	<b>78.46</b>	<b>205.00</b>	<b>0.31</b>	<b>205.31</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>78.46</b>			<b>205.31</b>
Aggregate amount of quoted investments			-			-
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			78.46			205.31

11.1 Lakshya Forum for Competitions Pvt. Ltd. has become a subsidiary of the company with effect from April 1, 2013

**12. Long-term loans and advances**

₹ in lakhs

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Advances to Creditors	72.96	522.38
(b) Security deposits (Premises)	1,551.83	1,438.10
(c) Security deposits (Others)	91.08	61.53
(d) Loans and advances to employees	-	0.16
(e) Loans and advances to others	142.65	875.92
(f) Advance Income Tax	107.02	122.04
<b>Total</b>	<b>1,965.54</b>	<b>3,020.13</b>

12.1 All the long term loans & advances are unsecured and considered good.

**13. Other non-current assets**

₹ in lakhs

Particulars	As at 31 March 2014	As at 31 March 2013
(i) Interest accrued on investments, loans & advances	-	9.22
<b>Total</b>	<b>-</b>	<b>9.22</b>

#### 14. Current investments

₹ in lakhs

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value, unless otherwise stated)						
Investment in mutual funds						
DWS Ultra Short Term Fund	-	-	-	90.84	-	90.84
Reliance Liquid Plan - TP - IP - DDR	656.15	-	656.15	505.32	-	505.32
Reliance Dynamic Bond Fund	100.00	-	100.00	600.00	-	600.00
Birla SL - Income Plus (Growth)	180.00	-	180.00	180.00	-	180.00
ICICI Prudential Income Plan (Growth)	150.00	-	150.00	150.00	-	150.00
FMP	-	-	-	5.09	-	5.09
Reliance Liquid Cash Plan	41.84	-	41.84	-	-	-
<b>Total - Other current investments</b>			<b>1,127.99</b>			<b>1,531.25</b>
14.1						
Aggregate amount of quoted investments			1,127.99			1,531.25
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			-			-
Aggregate provision for diminution (write down) in the value of other current investments			-			-

#### 15. Trade receivables

₹ in lakhs

Particulars		As at	As at
		31 March, 2014	31 March, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Secured, considered good		-	-
Unsecured, considered good		431.57	447.87
Doubtful		44.63	20.00
		476.20	467.87
Less: Provision for doubtful trade receivables		44.63	20.00
	<b>(A)</b>	<b>431.57</b>	<b>447.87</b>
Other Trade receivables			
Secured, considered good		-	-
Unsecured, considered good		458.93	553.99
Doubtful		91.90	73.62
		550.83	627.61
Less: Provision for doubtful trade receivables		91.90	73.62
	<b>(B)</b>	<b>458.93</b>	<b>553.99</b>
<b>Total (A+B)</b>		<b>890.50</b>	<b>1,001.86</b>



**16. Cash and bank balance**

₹ in lakhs

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand	61.25	16.87
(b) Balances with banks		
(i) In current accounts	347.74	198.04
(ii) In deposit accounts held as margin money against guarantee	25.00	-
(iii) In deposit accounts	545.96	2,204.87
(C) Others (specify nature)	-	-
<b>Total</b>	<b>979.94</b>	<b>2,419.78</b>

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 953.74 Lakhs (For year ended 31 March 2013, the amount is ₹ 2,419.78 lakhs)

Balances with banks includes deposits amounting to ₹ 516.21 lakhs (for previous year ₹ 2204.87 lakhs) which have original maturity more than 12 months.

**17. Short-term loans and advances**

₹ in lakhs

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Advances to Creditors	134.83	168.04
(b) Security deposits (Premises)	106.67	85.89
(c) Security deposits (Others)	5.54	124.55
(d) Loans and advances to employees	36.58	16.66
(e) Loans and advances to others	609.19	108.65
(f) Balances with government authorities		
Service Tax credit receivable	61.04	11.39
(g) Income Tax Paid	1,015.77	704.88
<b>Total</b>	<b>1,969.62</b>	<b>1,220.06</b>

17.1 Short-term loans and advances are unsecured and considered good.

**18. Other current assets**

₹ in lakhs

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Prepaid Expenses	7.15	9.67
(b) Accruals		
(i) VF/AF Salary Recoverable	6.53	3.87
(ii) Interest accrued on investments	17.08	-
<b>Total</b>	<b>30.76</b>	<b>13.54</b>

## 19. Revenue from operations

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Fees recognised	21,116.07	16,413.79
Less : Discount	(1,800.02)	(1,187.58)
Concession	(306.63)	(176.91)
<b>Total</b>	<b>19,009.42</b>	<b>15,049.30</b>
(b) Other operating revenues		
Government Grants	226.64	298.06
Sale of Hardware / Content (Note 19.1)	816.10	327.94
Others	128.11	52.83
<b>Total</b>	<b>1,170.85</b>	<b>678.83</b>

19.1 The sale of content includes sale of Robomate of ₹ 627.55 lakhs to in-house MT students as well as non-MT Students.

## 20. Direct Expenses

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Rent, Rates & Taxes	2,751.96	2,214.55
Electricity	696.99	598.77
Study Material Charges	1,091.90	739.10
Student Stipend Expenses (Refer note 20.1)	14.25	70.11
Bandwidth Charges	13.69	17.94
Visiting Lecturer Fees	5,385.97	4,396.76
<b>Total</b>	<b>9,954.77</b>	<b>8,037.23</b>

20.1 A part of the government grant in relation to projects undertaken by the company includes amount to be paid to the students who are enrolled under the Government scheme, in the form of stipend.

## 21. Employee benefits expense

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Salaries and wages	2,503.26	1,883.55
Contributions to provident and other funds	155.58	101.40
Expense on employee stock option (ESOP) scheme	2.01	31.55
Temp Staff Expenses	82.72	104.78
Staff related expenses	112.19	67.90
<b>Total</b>	<b>2,855.76</b>	<b>2,189.18</b>

## 22. Other expenses

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>ADMINISTRATION EXPENSES</b>		
Auditor's Remuneration (Refer note 22.1)	30.91	25.88
Director's Sitting Fees	6.20	8.75
Donation	86.06	67.06
Printing & Stationery	62.04	68.87
Professional fees	426.36	305.11
Bad Debts	56.35	50.94
Provision for Bad & Doubtful Debts	42.91	4.54
Repairs & Maintenance	282.50	232.61
Security Charges	43.15	58.45
House keeping Expenses	101.10	159.49
Telephone & Internet	148.63	130.04
Travelling & Conveyance Expenses	253.32	207.93
Other Administrative Expenses	286.47	247.57
<b>(A)</b>	<b>1,826.01</b>	<b>1,567.24</b>
<b>SELLING EXPENSES</b>		
Advertisement & Publicity	1,249.58	834.32
Sales Promotion	20.06	44.39
<b>(B)</b>	<b>1,269.64</b>	<b>878.71</b>
<b>Total (A)+ (B)</b>	<b>3,095.65</b>	<b>2,445.95</b>

22.1

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	20.35	16.50
For tax audit	5.40	0.50
For taxation matters	2.40	8.88
For IPO related services	2.77	-
<b>Total</b>	<b>30.91</b>	<b>25.88</b>

## 23. Other income

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Interest income (Refer note 23.1)	129.19	248.80
(b) Dividend income:		
from current investments	70.59	188.81
from non current investments	1.85	-
(c) Net gain on sale of:		
current investments	12.99	-
long-term investments	-	-
(d) Net gain on foreign currency transactions and translation	23.42	15.63
(e) Other non-operating income (Profit on Sale of Assets)	0.73	11.89
<b>Total</b>	<b>238.77</b>	<b>465.13</b>

### 23.1

Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Interest income comprises:		
Interest from banks on:		
Deposits	100.35	203.19
Interest from Others	28.84	45.61
Interest on income tax refund	-	-
<b>Total</b>	<b>129.19</b>	<b>248.80</b>

## 24. Additional information to the financial statements

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
<b>24.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Income Tax Demand (Note 24.1.1)	123.40	139.72
(b) Guarantees given by Bank for Govt Project	25.00	-

24.1.1 The Company has filed appeals or proposes to file appeals with income tax authorities against income tax demand raised, for several assessment years totalling to ₹ 123.40 lakhs

₹ in lakhs

Particulars	As at 31 March, 2014	As at 31 March, 2013
24.2 Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	321.57	1,510.58
Intangible assets	290.64	32.62
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments	-	-

## 24.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in lakhs

Particulars	As at 31 March, 2014	As at 31 March, 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

## 24.4 Disclosure of additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956.

Sr. Particulars No	2013-14	2012-13
(i) Turnover	Nil	Nil
(ii) Stock of Goods	Nil	Nil
(iii) Value of Imports on C.I.F.value	Nil	Nil
(iv) Expenditure in Foreign Currency	Nil	Nil
(v) Import of Finished Goods	Nil	Nil
(vi) Expenditure in Foreign Currency during the Financial Year on account of Royalty, Know-how, Professional & Consultancy, Fees, Interest and other Matters	Nil	Nil
(vii) F.O.B.Value of Export Sales/Services (Arab Emirates Dirham in lakhs)	12.42	20.57
(viii) Amount remitted in Foreign Currency during the year on account of dividends	Nil	Nil



Particulars	₹ in lakhs	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Earnings per share</b>		
<b>24.5.1 Basic</b>		
Net profit / (loss) for the year from continuing operations	2,103.28	1,804.67
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	2,103.28	1,804.67
Weighted average number of equity shares	39,752,014	39,416,023
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	5.29	4.58
<b>24.5.2 Diluted</b>		
Net profit / (loss) for the year from continuing operations	2,103.28	1,804.67
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	2,103.28	1,804.67
Profit / (loss) attributable to equity shareholders (on dilution)	2,103.28	1,804.67
Weighted average number of equity shares for Basic EPS	39,752,014	39,416,023
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	10,578	216,722
Weighted average number of equity shares - for diluted EPS	39,762,592	39,632,745
Par value per share	10.00	10.00
Earnings per share, from continuing operations - Diluted	5.29	4.55

Particulars	₹ in lakhs	
	As at 31 March, 2014	As at 31 March, 2013
<b>24.6 Deferred tax (liability) / asset</b>		
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	0.30	0.60
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	59.23	48.20
Provision for doubtful debts / advances	45.76	31.82
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	18.69	-
On difference between book balance and tax balance of fixed assets	342.02	330.45
Tax effect of items constituting deferred tax assets	<b>465.70</b>	<b>410.47</b>
<b>Net deferred tax (liability) / asset</b>	<b>465.40</b>	<b>409.87</b>

## 24.7.1 Employee stock options details as on the Balance Sheet date are as follows:

Particulars	₹ in lakhs	
	During the year ended 31 March, 2014	During the year ended 31 March, 2013
	Options (Numbers)	Options (Numbers)
Options outstanding at the beginning of the year:	247,485	272,912
Granted during the year	-	-
Vested during the year	234,315	-
Exercised during the year	234,315	-
Lapsed during the year	1,217	25,427
Options outstanding at the end of the year	11,953	247,485
Options available for grant	26,644	25,427

## 24.7.2 Expenses arising from stock option plan during the year / period

Particulars	₹ in lakhs	
	31 March, 2014	31 March, 2013
ESOP 2011-II	2.01	31.55
<b>Total</b>	<b>2.01</b>	<b>31.55</b>

## 24.8.1 Related party transactions

## Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mahesh R. Shetty, Dr. Chhaya Shastri
Enterprises in which KMP can exercise significant influence	Mahesh Tutorials Chembur, Mahesh Tutorials Mulund , Global Education Trust, Prosynapse Consultants Pvt. Ltd.

Note: Related parties have been identified by the Management.

## Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

	₹ in lakhs	
	KMP	Entities in which KMP / relatives of KMP have significant influence
Directors Remuneration - Mr. Mahesh Shetty	129.00	
	[103.50]	
Dividend - Mr. Mahesh Shetty	349.94	
	[245.87]	
Dividend - Dr. Chhaya Shastri	34.35	
	[24.90]	
Professional Fees - Prosynapse Consultants Pvt. Ltd.		96.00
		[87.40]
Rent Expense - Mr. Mahesh Shetty	11.14	
	[10.89]	
Rent Expense - Mahesh Tutorials Chembur		85.18
		[82.55]
Rent Expense - Mahesh Tutorials Mulund		28.23
		[27.36]

	KMP	₹ in lakhs Entities in which KMP / relatives of KMP have significant influence
Donation - Global Education Trust		85.37
		[64.92]
Sponsorship Charges - Global Education Trust		16.80
		[-]
Balances outstanding at the end of the year		
Outstanding Directors Remuneration - Mr. Mahesh Shetty	6.70	
	[-]	
Outstanding Professional Fee - Prosynapse Consultants Pvt. Ltd.		8.09
		[7.36]
Deposit for Premises - Mr. Mahesh Shetty	7.47	
	[7.47]	
Deposit for Premises - Mahesh Tutorials Chembur		29.76
		[29.76]
Deposit for Premises - Mahesh Tutorials Mulund		11.28
		[11.28]
Note: Figures in bracket relates to the previous year		

24.9

Particulars	For the year ended 31 March, 2014	₹ in lakhs For the year ended 31 March, 2013
<b>As Lessee</b>		
The Company has entered into operating lease arrangements for certain facilities and Coaching Center premises. The leases are over a period of 2 to 10 years and may be renewed for a further period on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	2,579.78	2,128.53

24.10 The Company has entered into arrangements with franchisees for conducting commercial training, coaching and tutorial classes. As per the agreements entered into with these franchisees, the franchisees are required to pay an upfront fee as brand fees to the Company, which is for a period of 3 years. Monies received by the Company as brand fees are recognised as income over this period of 3 years.

In addition to the above mentioned upfront fees, the franchisees are required to pay commission/royalty at the rates to be calculated as per the agreements entered into with them.

24.11 The Company operates in one business segment hence the reporting requirement pertaining to Accounting Standards 17 on "Segment Reporting" are not applicable.

24.12 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## 24.13 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

## 24.13.1 Loans and advances in the nature of loans given to subsidiaries, associates and others

Name of the Party	Relationship	Amount Outstanding as on March 31, 2014	Max. Amount Outstanding during the year
MT Educare Charitable Trust	Others	557.49	557.49
Teaching Faculty Members	Others	170.48	202.37
Employees	Others	29.33	72.45
Shankara Gouda Police Patil Trust	Others	20.00	20.00

## 24.13.2 Investment in shares of the Company by subsidiaries &amp; associates

Nil

## 24.14 Employee benefit plans

## 24.14.1 Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 99.14 Lakhs (Year ended 31 March, 2013 ₹ 69.02 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

## 24.14.2 Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. **Gratuity**

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	₹ in lakhs	
	Year ended 31 March, 2014	Year ended 31 March, 2013
Components of employer expense		
Current service cost	30.48	19.71
Interest cost	13.19	9.87
Expected return on plan assets	(5.60)	(2.15)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	15.08	4.28
Total expense recognised in the Statement of Profit and Loss	<b>53.14</b>	<b>31.71</b>
Actual contribution and benefit payments for year		
Actual benefit payments	10.50	2.55
Actual contributions	13.41	45.69
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(218.01)	(152.62)
Fair value of plan assets	73.33	64.36
Funded status [Surplus / (Deficit)]	(144.68)	(88.26)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(144.68)	(88.26)

Particulars	Year ended 31 March, 2014 Gratuity	Year ended 31 March, 2013 Gratuity
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	152.62	119.47
Current service cost	30.48	19.71
Interest cost	13.19	9.87
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	16.68	-
Actuarial (gains) / losses	15.54	6.12
Past service cost	-	-
Benefits paid	(10.50)	(2.55)
Present value of DBO at the end of the year	218.01	152.62
Change in fair value of assets during the year		
Plan assets at beginning of the year	64.36	17.23
Acquisition adjustment	-	-
Expected return on plan assets	5.60	2.15
Actual company contributions	13.41	45.69
Actuarial gain / (loss)	0.46	1.84
Benefits paid	(10.50)	(2.55)
Plan assets at the end of the year	73.33	64.36
Actual return on plan assets	6.01	3.93
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	73.33	64.36
Actuarial assumptions		
Discount rate	8.93%	7.75%
Expected return on plan assets	8.70%	8.70%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate table.	LIC (1994-96) Ultimate Table.
Estimate of amount of contribution in the immediate next year	81.99	75.52



## 24.14.3 Actuarial assumptions for long-term compensated absences

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Discount rate	8.93%	7.75%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

## 24.15 Utilisation of IPO Proceeds

Particulars		₹ in lakhs
Amount received from IPO (A)		3,500.00
Deployment of Funds Received from IPO:		
Financing cost of construction of PUC Campus in Karnataka	2,000.00	
Establishing New Coaching Centres	293.15	
Issue Expenses	353.10	
General Corporate Purposes	646.90	
Total Deployment of Funds till March 31, 2014 (B)		3,293.15
Balance Amount to be Utilized lying in bank accounts or invested in liquid mutual funds (A-B)		206.85

In terms of our report attached.

For **Shaparia & Mehta**

Chartered Accountants

Firm Reg No.: 112350W

**Jayavanti Shah**

Partner

Membership No.: 043710

Place : Mumbai

Dated: 14<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**

Chairman & Managing Director

**Mr. Yagnesh Sanghrajka**

Chief Financial Officer

**Dr. Chhaya Shastri**

Director

**Mr. Ashwin Patel**

Company Secretary

# STATEMENT PURSUANT

to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

1	Name of the Subsidiary Company	Lakshya Educare Private Limited	MT Education Services Private Limited	Chitale's Personalised Learning Private Limited	Lakshya Forum for Competitions Pvt. Ltd. Private Limited
2	Financial year of the Subsidiary Company ended on	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
3	Date from which it became subsidiary	19-Nov-12	07-Apr-11	22-Jan-11	01-Apr-13
4	Shares of the subsidiary company held by MT Educare Limited at the end of the financial year of the subsidiary company				
	a. Number of Shares and face value	9,000 Equity shares of ₹10/- each	10,000 Equity shares of ₹10/- each	62,000 Equity shares of ₹10/- each	2,69,506 Equity shares of ₹10/- each
	b. Extent of Holding (%) - Direct	90.00	100.00	51.00	51.09
5	Net aggregate profits / losses of the subsidiary company, so far as it concerns the member of MT Educare Limited				
	a. not dealt with in the accounts of MT Educare Limited for the year ended 31st March, 2014, amounted to: - (₹ in lakhs)				
	i. for the subsidiary company's financial year ended as in (2) above;	(50.63)	(19.45)	(15.62)	(10.40)
	ii. for previous financial years of the subsidiary since they became the subsidiary of MT Educare Limited	15.01	(33.88)	(80.50)	NA
	b. dealt with in the accounts of MT Educare Limited for the year ended 31st March, 2014, amounted to:-				
	i. for the subsidiary company's financial year ended as in (2) above;	-	-	-	-
	ii. for previous financial year of the subsidiary since they became the subsidiary of MT Educare Limited	NA	NA	NIL	NIL
6	Change in the interest of MT Educare Limited in the subsidiary company between the end of financial year of the subsidiary company and 31st March, 2014	Not applicable	Not applicable	Not applicable	Not applicable
7	Material changes between the end of the financial year of the subsidiary company and 31st March, 2014				
	a. Fixed assets	Not applicable	Not applicable	Not applicable	Not applicable
	b. Investments	Not applicable	Not applicable	Not applicable	Not applicable
	c. Monies lent by the subsidiary company	Not applicable	Not applicable	Not applicable	Not applicable
	d. monies borrowed by the subsidiary company for any purpose other than that of meeting current liabilities	Not applicable	Not applicable	Not applicable	Not applicable

For and on behalf of the Board of Directors

**Mr. Mahesh Shetty**  
Chairman & Managing Director

**Dr. Chhaya Shastri**  
Director

Place : Mumbai  
Dated: 14<sup>th</sup> May, 2014

**Mr. Yagnesh Sanghrajka**  
Chief Financial Officer

**Mr. Ashwin Patel**  
Company Secretary

## NOTES

[illegible]

## NOTES

[illegible]

## NOTES

[illegible]







## REGISTERED OFFICE

### MT Educare Limited

(CIN:L80903MH2006PLC163888)

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