

**INDEPENDENT AUDITOR'S REPORT****To the Members of Kaivalya Education Foundation****Report on the Financial Statements**

We have audited the accompanying financial statements of Kaivalya Education Foundation ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Income and Expenditure, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the



reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its surplus and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- (1) This report does not contain a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Income and Expenditure, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;



# HARIBHAKTI & CO. LLP

Chartered Accountants

- “ (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Atul Gala

Atul Gala

Partner

Membership No.048650



Place: Mumbai

Date: August 13, 2015

**KAIVALYA EDUCATION FOUNDATION**  
**BALANCE SHEET AS AT MARCH 31, 2015**

	Particulars	Note No.	As at 31-3-2015		As at 31-3-2014	
			Rs.	Rs.	Rs.	Rs.
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
(1)	Corpus Fund	3	226,06,208	226,06,208	182,43,758	182,43,758
	Reserves and Surplus					
(2)	Current Liabilities	4	7,63,790	107,33,983	5,86,263	6,70,960
	(a) Trade payables		99,70,193		84,697	
	(b) Other current liabilities					
	<b>TOTAL</b>			<b>333,40,191</b>		<b>189,14,718</b>
<b>II.</b>	<b>ASSETS</b>					
(1)	Non - current assets			31,97,994		38,85,329
	(a) Fixed Assets	5	26,48,261		35,35,691	
	Tangible assets				3,49,638	
	(b) Long term loans and advances	6	5,49,733			
(2)	Current Assets			301,42,197		150,29,389
	(a) Cash and cash equivalents	7	182,09,406		103,96,519	
	(b) Short term loans and advances	8	119,32,791		46,32,870	
	<b>TOTAL</b>			<b>333,40,191</b>		<b>189,14,718</b>

The notes attached form an integral part of the Financial Statements  
As per our Report of even date attached.

For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Reg.No 103523W

Atul Gala  
Partner  
Membership No. 048650



For and on behalf of the board

Ajay G Piramal  
Chairman  
DIN:00028116

Aditya Vatraj  
Director  
DIN:02309126

Place: Mumbai

Date: **13 AUG 2015**

Place: Mumbai

Date: **13 AUG 2015**



**KAIVALYA EDUCATION FOUNDATION**  
**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2015**

	Particulars	Note	As at 31-3-2015	As at 31-3-2014
		No.	Rs.	Rs.
I.	Donation Income		676,29,550	537,68,355
II	Other Income	9	4,14,709	3,90,581
III	<b>Total revenue (I + II)</b>		<b>680,44,259</b>	<b>541,58,936</b>
IV	Depreciation and amortization expense	5	27,35,236	16,30,303
V	Other expenses	10	606,78,790	524,19,027
	<b>Total Expenses (IV+V)</b>		<b>634,14,026</b>	<b>540,49,330</b>
VII	Surplus/(Deficit) for the year		<b>46,30,233</b>	<b>1,09,606</b>

The notes attached form an integral part of the Financial Statements  
As per our Report of even date attached.

For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Reg.No 103523W

*Atul Gala*  
Atul Gala  
Partner  
Membership No. 048650



For and on behalf of the board

*Ajay G Piramal*  
Ajay G Piramal  
Chairman  
DIN:00028116

*Aditya Nataraj*  
Aditya Nataraj  
Director  
DIN:02309126

Place: Mumbai  
Date: **13 AUG 2015**

Place: Mumbai  
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**KAIVALYA EDUCATION FOUNDATION**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from operating activities</b>				
(Deficit)/Surplus for the year		46,30,233		1,09,606
Adjustments for:				
Depreciation and amortization expense	27,35,235		16,30,303	
Interest received	(4,07,109)		(3,54,081)	
Loss due to theft of assets			51,551	
		23,28,126		13,27,773
		69,58,359		14,37,379
(Increase)/ decrease in Short term loan and Advances	(72,99,921)		12,03,468	
Increase/ (decrease) in trade payable	1,77,527		(7,31,083)	
(Increase)/ decrease in long term loan and Advances	(2,00,095)		(3,49,638)	
Increase/ (decrease) in other current liabilities	98,85,496		(34,922)	
		25,63,007		87,825
Income taxes paid		95,21,366		15,25,204
<b>Net cash from operating activities</b>		95,21,366		15,25,204
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(21,15,588)		(2,72,775)	
Interest received	4,07,109		3,54,081	
<b>Net cash from investing activities</b>		(17,08,479)		81,306
<b>Cash flows from financing activities</b>				
<b>Net cash from financing activities</b>				
<b>Net increase/(decrease) in cash and cash equivalents</b>		78,12,887		16,06,510
Cash and cash equivalents at beginning of reporting period		103,96,519		87,90,009
Cash and cash equivalents at end of reporting period		182,09,406		103,96,519

**Cash & Cash equivalents:**

Cash and cash equivalents consist of balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

Cash and cash equivalents as reported	182,09,406	103,96,519
Cash on hand		
Saving Account	182,09,406	103,96,519
Cash and cash equivalents as per Cash Flow Statement	182,09,406	103,96,519

The notes attached form an integral part of financial statements  
As per our Report of even date attached.

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For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Reg. No. 103523W

Atul Gala  
Partner  
Membership No. 048650



Place: Mumbai

Date: 13 AUG 2015

For and on behalf of the board

Ajay G Piramal  
Chairman  
DIN:00028116

Aditya Nataraj  
Director  
DIN:02309126

Place: Mumbai

Date: 13 AUG 2015

## KAIVALYA EDUCATION FOUNDATION

### Significant Accounting Policies and Notes to Accounts for the year ended March 31, 2015:

#### Note 1 Nature of Business:

KAIVALYA EDUCATION FOUNDATION is a Private Company registered under section 8 of the Companies Act 2013 and consequently does not have the word 'Limited' as a part of its name. It is also registered under section 12AA of the Income Tax Act and hence its 'surplus' is exempt from tax subject to compliance with certain conditions. Its main operations comprise of promotion and building of an institution to provide professional development for education leaders to achieve leading education reforms.

#### Note 2 Significant Accounting Policies:

##### 1. Basis of Preparation of Financial Statements :

The Financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 which continues to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013.

The Company adopts the accrual concept in preparation of the accounts. The preparation of accounts require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the accounts and the reported income and expenses during the period. Actual results could differ from these estimates. The accounting year of the Company is a period of 12 months commencing from April 1 to March 31.

##### 2. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the





accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

### **3. Revenue Recognition:**

#### **i) Accounting of Donations and Grants:**

Government Assistance, Donation and grants sanctioned from donor agencies are accounted on accrual basis when right to receive the same has been established. Unrealized amount of Donation and assistance are shown as "Receivable". Such receivables of certain donor agencies are subject to audit/acceptance by them.

#### **ii) Other Income:**

Unless otherwise required, all incomes are recognized and accounted on an accrual basis.

### **4. Expenses:**

Expenses are accounted for on accrual basis.

### **5. Fixed assets& Depreciation:**

- a) Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any other incidental cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired/ put to use. From 1<sup>st</sup> April 2014 onwards the depreciation provided as per schedule II of Companies Act 2013 considering useful life of assets and salvage value as prescribed. The depreciation is calculated on Written Down Value method.
- b) Fixed Assets each costing Rs.5000 or less are fully depreciated in the year of acquisition.
- c) Useful life of Mobile and Tablets is estimated as one year from the date they are put to use. The same is considered based on certificate provided by Chartered Engineer.
- d) In respect of assets where useful life is nil, the carrying amount as determined by the management has been adjusted against the retained earnings.





- e) Profit or loss on disposal of a tangible fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the Statement of Income & Expenditure.

**6. Taxation :**

The Company is registered under section 12A (a) of the Income Tax Act 1961 and its income is exempt under the provisions of section 11 of the said Act, subject to conditions laid down under section 13 of the act.

**7. Provision and Contingencies:**

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

**8. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Income & Expenditure. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**9. Investments:**

Investments are capitalized at actual cost including costs incidental to acquisition. Investments are classified as long term or current at the time of making such investments. Long term investments are individually valued at cost, less provision for other than temporary diminution, if any. Current Investments are individually valued at lower of cost and fair value.



#### **10. Foreign Currency Transaction:**

Foreign currency transactions are recorded at the rate prevailing on the date of transaction. Foreign Currency monetary items outstanding as at the Balance Sheet date are restated at the closing rate. Foreign Exchange rate differences arising on settlement/conversation are recognized in the Statement of Income and Expenditure.

#### **11. Operating Lease:**

A lease of assets whereby the lessor essentially remains the owner of the asset is classified as an operating lease and payments made according to operating lease contracts or rental agreements are expensed evenly during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

#### **12. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before 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.

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



**KAIVALYA EDUCATION FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 3 Reserves and Surplus:**

Particulars	Amount in Rs.	
	As at 31-3-2015	As at 31-3-2014
At the beginning of the reporting year	182,43,758	181,34,152
Less: Carrying value of assets where useful life is nil as on 01.04.2014 (after considering residual value)	(2,67,783)	-
Add: Surplus for the year Transferred from statement of Income and Expenditure	46,30,233	1,09,606
At the close of the reporting year	226,06,208	182,43,758



**KAIVALYA EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4 Other current liabilities:**

Amount in Rs.

Particulars	As at 31-3-2015	As at 31-3-2014
i) Statutory Liabilty	4,26,545	78,179
ii) Expenses Payable	3,34,493	-
iii) Other Payable	9,155	6,518
iv) Advances from Doner Agencies	92,00,000	-
	<b>99,70,193</b>	<b>84,697</b>





Note 5 Fixed Assets:

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As at beginning of current reporting year 01-04-2014	Additions for the year	Deductions during the year	As at end of current reporting year 31-03-2015	As at beginning of current reporting year 01-04-2014	For the year	Adjustment to retained Earnings	Deductions	As at end of current reporting year 31-03-2015	As at end of current reporting year 31-03-2015	As at end of previous reporting year 31-03-2014
Tangible Assets											
Plant & Machinery	57,22,790	10,11,900	-	67,34,690	41,71,240	13,92,348	2,45,283	-	58,08,871	9,25,819	15,51,550
Furniture & Fixtures	7,50,356	15,100	-	7,65,456	3,15,057	1,36,746	-	-	4,51,803	3,13,653	4,35,299
Vehicles	23,79,989	-	-	23,79,989	13,39,703	1,65,130	-	-	15,04,833	8,75,156	10,40,286
Office equipment	8,04,816	10,88,588	-	18,93,404	2,96,260	10,41,011	22,500	-	13,59,771	5,33,633	5,08,556
	96,57,951	21,15,588	-	117,73,539	61,22,260	27,35,235	2,67,783	-	91,25,278	26,48,261	35,35,691
<b>TOTAL</b>	<b>96,57,951</b>	<b>21,15,588</b>	-	<b>117,73,539</b>	<b>61,22,260</b>	<b>27,35,235</b>	<b>2,67,783</b>	-	<b>91,25,278</b>	<b>26,48,261</b>	<b>35,35,691</b>
Previous Year	95,06,711	2,72,775	1,21,535	96,57,951	45,61,941	16,30,303	-	69,984	61,22,260	35,35,691	



**KAIVALYA EDUCATION FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 6 Long term loans and advances:**

Amount in Rs.

Particulars	As at 31-3-2015	As at 31-3-2014
i) TDS Receivable	5,49,733	3,49,638
	<b>5,49,733</b>	<b>3,49,638</b>

**Note 7 Cash and cash equivalents:**

Amount in Rs.

Particulars	As at 31-3-2015	As at 31-3-2014
i) Balances with banks	182,09,406	103,96,519
	<b>182,09,406</b>	<b>103,96,519</b>

**Note 8 Short term loans and advances:**

Amount in Rs.

Particulars	As at 31-3-2015	As at 31-3-2014
i) Deposits	12,29,708	11,11,005
ii) Advance for project activities	8,86,920	14,174
iii) Receivable from Municipal Corporation of Greater Mumbai	98,16,163	35,07,691
	<b>119,32,791</b>	<b>46,32,870</b>



**KAIVALYA EDUCATION FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 9 Other Income:**

Amount in Rs.

Particulars	For the year Ended March 31,2015	For the year Ended March 31,2014
i) Bank Interest	4,07,109	3,15,026
ii) Other Income	7,600	36,500
iii) Other Interest Income	-	39,055
	<b>4,14,709</b>	<b>3,90,581</b>

**Note 10 Other expenses:**

Amount in Rs.

Particulars	For the year Ended March 31,2015	For the year Ended March 31,2014
i) Electricity	2,83,855	2,49,338
ii) Rent	48,65,724	47,99,966
iii) Office Expenses	13,38,389	15,57,088
iv) Travelling Expenses	52,38,234	37,10,198
v) Repairs others	2,58,514	1,89,231
vi) Insurance	34,159	36,118
vii) Rates and taxes	57,826	72,384
viii) Payment to the auditors		
- as auditor	2,71,602	1,68,540
-Tax matter	16,854	16,854
- FC-6	28,090	28,090
ix) Consultancy Fee	378,38,495	345,05,601
x) Boarding and Lodging Expenses (Accommodation)	7,67,053	7,62,792
xi) Food Expenses	12,48,405	8,20,920
xii) Printing and Stationary Expenses	9,41,579	6,99,124
xiii) Workshop Charges	17,35,698	9,37,131
xiv) Brokerage and Commission	2,65,270	2,48,400
xvi) Computer and Electronic Accessories	36,830	42,490
xvii) Interest on TDS	28,472	19,989
xviii) Legal and professional charges	24,90,018	16,72,813
xix) Telephone Expenses & Internet Expenses	4,49,228	3,95,139
xx) Recruitment Charges	15,786	4,350
xxi) Training Expenses	11,582	7,413
xxii) Teaching Learning Material	4,58,654	5,28,881
xxiii) Vipasana & LJ	5,05,495	5,63,956
xxiiil) Miscellaneous expenses	3,24,194	3,82,221
xxiiil) Bad Debts	11,68,784	-
	<b>606,78,790</b>	<b>524,19,027</b>



#### Note 11 Related Party Transactions

Description of relationship	Names of related parties
Key Managerial Personnel (KMP)	Aditya Natraj
Enterprise in which KMP of the Company are able to exercise control or have significant influence	Piramal Foundation for Education Leadership

Expenditures in nature of reimbursement are not considered for Related party Transaction.

#### Note 12 Earnings in Foreign Currency:

(Amount in Rs.)

Particulars	For the year March 31, 2015	For the year March 31, 2014
Donation Income	52,285,310	35,452,424
<b>Total</b>	<b>52,285,310</b>	<b>35,452,424</b>

#### Note 13 Expenditure in Foreign Currency:

(Amount in Rs.)

Particulars	For the year March 31, 2015	For the year March 31, 2014
Professional Fees	Nil	Nil
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

**Note 14** As per the information available with the Company, there is no amount outstanding to parties covered under the provision of The Micro, Small and Medium Enterprises.





**Note 15** The figures for the previous year have been regrouped / recast wherever necessary in conformity with those of current year.

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**For and on behalf of the board**

**For HARIBHAKTI & CO. LLP**  
Chartered Accountants  
Firm Registration No.103523W

*Atul Gala*

**Atul Gala**  
Partner  
Membership No.048650  
Place: Mumbai  
Date: **13 AUG 2015**



*Ajay G. Piramal*  
Ajay G. Piramal  
DIN: 00028116

**Chairman**

*Aditya Natraj*  
Aditya Natraj  
DIN : 02309126

**Director**

Place: Mumbai  
Date: **13 AUG 2015**