

INDEPENDENT AUDITORS' 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, 2014, the Statement of Income and Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



HARIBHAKTI & CO. LLP

Chartered Accountants

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) in the case of the Statement of Income and Expenditure, of the surplus 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 4 and 5 of the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 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 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Statement of Income and Expenditure, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. As the Company is a Private Limited Company, the provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not applicable to the Company.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No. 103523W



Prashnat M. Maharishi

Partner

Membership No. 41452



Ahmedabad: August 05, 2014

KAIVALYA EDUCATION FOUNDATION
BALANCE SHEET AS AT MARCH 31, 2014

	Particulars	Note No.	As at 31-3-2014		As at 31-3-2013	
			Rs.	Rs.	Rs.	Rs.
I.	EQUITY AND LIABILITIES					
(1)	Corpus Fund					
	(a) Reserves and Surplus	3	1,82,43,758	1,82,43,758	1,81,34,152	1,81,34,152
(2)	Current Liabilities					
	(a) Trade payables (Refer note 12)	4	5,86,263	6,70,960	13,17,346	14,36,965
	(b) Other current liabilities		84,697		1,19,619	
	TOTAL			1,89,14,718		1,95,71,117
II.	ASSETS					
(1)	Non - current assets					
	(a) Fixed Assets					
	(i) Tangible assets	5	35,35,691	38,85,329	49,44,770	49,44,770
	(b) Long term loans and advances		3,49,638			
(2)	Current Assets					
	(a) Cash and cash equivalents	6	1,03,96,519	1,50,29,389	87,90,009	1,46,26,347
	(b) Short term loans and advances	7	46,32,870		58,36,338	
	TOTAL			1,89,14,718		1,95,71,117

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



For and on behalf of the board

Prashant Maharishi
Prashant Maharishi
Partner
Membership No. 41452

Ajay G Piramal
Ajay G Piramal
Chairman

Ashya Natraj
Ashya Natraj
Director

Place: Ahmedabad
Date: 05 AUG 2014

Place: Mumbai
Date: 05 AUG 2014

Place: Mumbai
Date: 05 AUG 2014



KAIVALYA EDUCATION FOUNDATION
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2014

	Particulars	Note	As at 31-3-2014	As at 31-3-2013
		No.	Rs.	Rs.
I.	Donation Income		5,37,68,355	5,54,07,590
II	Other Income	8	3,90,581	6,78,274
III	Total revenue (I + II)		5,41,58,936	5,60,85,864
IV	Depreciation and amortization expense	5	16,30,303	16,93,157
V	Other expenses	9	5,24,19,027	5,72,30,854
	Total Expenses (IV+V)		5,40,49,330	5,89,24,011
VI	Surplus/(Deficit) for the year		1,09,606	(28,38,147)

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

For and on behalf of the board


Prashant Maharishi
Partner
Membership No. 41452




Ajay G Piramal
Chairman


Aditya Nataraj
Director

Place: Ahmedabad
Date: **05 AUG 2014**

Place: Mumbai
Date: **05 AUG 2014**

Place: Mumbai
Date: **05 AUG 2014**



**KAIVALYA EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

Note 3 Reserves and Surplus:

Particulars	Amount in Rs.	
	As at 31-3-2014	As at 31-3-2013
At the beginning of the reporting year	1,81,34,152	2,09,72,299
Transferred from statement of Income and Expenditure	1,09,606	(28,38,147)
At the close of the reporting year	1,82,43,758	1,81,34,152

Note 4 Other current liabilities:

Particulars	Amount in Rs.	
	As at 31-3-2014	As at 31-3-2013
i) Statutory Liability	78,179	1,19,450
ii) Security Deposit	6,518	-
iii) Accrued expenses		169
	84,697	1,19,619

Note 6 Cash and cash equivalents:

Particulars	Amount in Rs.	
	As at 31-3-2014	As at 31-3-2013
i) Balances with banks	1,03,96,519	87,90,009
	1,03,96,519	87,90,009

Note 7 Short term loans and advances:

Particulars	Amount in Rs.	
	As at 31-3-2014	As at 31-3-2013
i) Rent Deposits	10,84,100	14,03,700
ii) Advance to Staff	14,174	10,451
iii) Receivable from MCGM	35,07,691	43,80,303
iv) Other	26,905	41,884
	46,32,870	58,36,338



KAIVALYA EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 8 Other Income:

Amount in Rs.

Amount in Rs.

Particulars	Amount in Rs.	
	For the year Ended March 31, 2014	For the year Ended March 31, 2013
i) Bank Interest	3,15,026	5,65,820
ii) Other Income	36,500	1,00,230
iii) Other Interest Income	39,055	12,224
	3,90,581	6,78,274

Note 9 Other expenses:

Amount in Rs.

Amount in Rs.

Particulars	Amount in Rs.	
	For the year Ended March 31, 2014	For the year Ended March 31, 2013
i) Electricity	2,49,338	1,95,276
ii) Rent	47,99,966	46,99,000
iii) Office Expenses	15,57,088	15,14,817
iv) Travelling Expenses	37,10,198	25,27,578
v) Repairs others	1,89,231	3,09,249
vi) Insurance	36,118	12,987
vii) Rates and taxes	72,384	5,640
viii) Payment to the auditors		
- as auditor	1,68,540	1,68,540
- Tax matter	16,854	16,854
- FC-6	28,090	
ix) Consultancy Fee	3,45,05,601	3,83,25,318
x) Boarding and Lodging Expenses (Accommodation)	7,62,792	11,69,845
xi) Food Expenses	8,20,920	7,50,553
xii) Printing and Stationary Expenses	6,99,124	5,28,479
xiii) Workshop Charges	9,37,131	10,97,598
xiv) Brokerage and Commission	2,48,400	2,80,600
xvi) Computer and Electronic Accessories	42,490	19,862
xvii) Interest on TDS	19,989	6,120
xviii) Legal and professional charges	16,72,813	38,67,133
xix) Telephone Expenses & Internet Expenses	3,95,139	3,74,065
xx) Recruitment Charges	4,350	2,63,070
xxi) Training Expenses	7,413	42,013
xxii) Teaching Learning Material	5,28,881	6,01,721
xxiii) Bad debts		17,115
xxiii) Vipassana & LJ	5,63,956	2,62,317
xxix) Miscellaneous expenses	3,82,221	1,75,104
	5,24,19,027	5,72,30,854



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.

Note 10 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 as Related party Transaction.

Note 11 Expenditure in Foreign Currency

Particulars	Amount in Rs
Professional Fees	Nil
Total	NIL


Note 12 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 13 The figures for the previous year have been regrouped / recast wherever necessary in conformity with those of current year.

For and on behalf of the board of

Place: Mumbai

Dated: 05 AUG 2014

x 
Ajay G. Piramat
Chairman


Aditya Natraj
Director



KAIVALYA EDUCATION FOUNDATION

Significant Accounting Policies and Notes to Accounts for the year ended March 31, 2014:

Note 1 Nature of Business:

KAIVALYA EDUCATION FOUNDATION is a Private Company registered under section 25 of the Companies Act 1956 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 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 accompanying financial statements are consistently prepared under the historical cost convention, on the accrual basis of accounting and comply with the accounting standards issued by the Institute of Chartered Accountants of India (to the extent applicable) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.

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. On all assets, depreciation has been provided using the written down method at the rates specified in Schedule XIV to the Companies Act, 1956.
- b) Fixed Assets costing Rs.5000 or less are fully depreciated in the year of acquisition.
- c) 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.

