Auditor's Report

Auditors' Report to the Members of **EdServ Softsystems Limited**

- We have audited the attached Balance Sheet of Edserv Softsystems Limited as at March 31, 2012 and the Profit and Loss Account and the Cash Flow Statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in Paragraph 3 above, we report that;
 - 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, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account (read in conjunction with the Notes and Schedule attached thereto) dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except the following;
 - Note No. 23.m to Financial Statements regarding Confirmations of Balance from Sundry Debtors, Deposit accounts, Loans and Advances, Certain Creditors have not been obtained. Accounts of certain sundry debtors, loans and advances, deposits and creditors are under review and reconciliation. Adjustments, if any will be made on completion of review/reconciliation / identification of doubtful debts/advances.
 - The Company has initiated the process of review of impairment of assets in the respect of the tangible, intangible and other current assets their results in such impairment is awaited, The financial implication if any on the above will be provide appropriately at later stage.
 - The Company has been subjected to survey by Income Tax Department during the year. The amounts of demand from the Income Tax Department for the preceding years are before appellate authority. Further notices were issued by the assessing officer for reassessment of earlier years. The assessment proceedings are in various stages and are yet to be completed. The company is confident the matter shall be decided later and financial implications on above cannot be ascertained as on date, Hence no provision is made for such matters in the books.

 $In all the cases \, referred \, to \, above, effect \, on \, financial \, statements \, is \, not \, ascertainable. \, We \, do \, not \, express \, independent \, opinion \, on \, these \, matters.$

- v. On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. Subject to our comments vide para 4.iv.i, 4.iv.ii, and 4.iv.iii above, 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:
 - in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - in , the case of the Profit and Loss Account, of the Loss for the year ended on that date;
 - In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For RAJ AND RAVI Chartered Accountants

V. RAJ (Membership No. 23211)

Firm Registration No. 0109355

Place: Chennai Date: 30.05.2012





Annexure referred to in paragraph 3 of the Auditors' Report to the members of on the accounts for the year ended 31st March, 2012.

- a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in the Books of Account.
- During the year the Company has not disposed off any substantial of major part of the Fixed Assets.
- The company did not hold any stock of inventory. In view of the foregoing, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable
- As informed, the company has not granted any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- . As informed, the company has taken loans, from Subsidiary listed in the register maintained under Section 301 of the Companies Act, 1956. The Loan is repayable on demand and there are no overdue amounts.
- In our opinion and according to the information and explanation given to us, having regard to the explanation that some items are of special nature for which alternate quotations cannot be obtained, there is an internal control system commensurate with the size of the company and nature of its business for purchase of fixed assets and for the sale of software products and services. During the course of audit, no major weakness has been noticed in the internal control system in respect of these areas. During the year, there are no transactions of purchase of inventory.
- a) Based on the audit procedures performed by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under sec 301 and exceeding the value of Five Lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- In our opinion and according to the information and explanations given to us, as the company has not accepted deposits from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 paragraph 4(vii) of the Order is not applicable.
- In our opinion the company has an internal audit system commensurate with size and nature of its business.
- To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.

- 10. a) According to information and explanations given to us and as per records produced before us for verification, the company is regular in depositing with appropriate authorities undisputed statutory dues including P.F. E.S.I, Sales Tax, Income tax, Custom duty and any other undisputed statutory dues.
 - b) As per information and explanations furnished to us and on verification of records produced, no undisputed arrears of amounts payable in respect of sales tax / income tax / custom / wealth tax / excise / service tax were outstanding as at 31st March 2012, for a period of more than six months from the date they became payable.
 - According to the records of the Company, there are no disputed dues in respect of sales tax / income tax / custom / wealth tax / excise / service tax as on 31st March 2012.
- The Company has no accumulated losses as at 31st March, 2012 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- In our opinion and on verification of records, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- 13. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable.
- 14. The provisions of any special statute applicable to Chit Fund and Nidhi / mutual benefit fund/society are not applicable to the company and therefore paragraph 4 (xiv) of the Order is not applicable.
- The company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4 (xiv) of the Order is not applicable.
- 16. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4 (xvi) of the Order is not applicable.
- 17. The company has not availed term loans during the year.
- 18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, no short term funds has been used for fixed assets (long term investments) no long term funds were raised for short term investments.
- The company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- The Company has not issued any Debentures during the year under report.





21. 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.

For RAJ AND RAVI Chartered Accountants

V. RAJ (MembershipNo. 23211) Partner Firm Registration no. 010935S

Place: Chennai Date: 30.05.2012





Balance Sheet As At 31st March 2012

(₹) in Lakhs

				(X) III Lakti
	Particulars	Note No	As at 31 March, 2012	As at 31 March, 2011
EQ	UITY AND LIABILITIES			
1)	Shareholder's Funds			
	a) Share Capital	3	2,623.30	1,557.72
	b) Reserves and Surplus	4	23,239.88	10,458.83
	c) Money received against share warrants		1,488.01	875,11
2)	Non-Current Liabilities			
	a) Long-term borrowings	5	1,291.02	255.44
	b) Long term provisions	6	1,293.17	417.06
3)	Current Liabilities			
	a) Trade payables	7	474.14	756,12
	b) Other current liabilities	8	34.46	0.60
	c) Short-term provisions	9	638.58	584.22
	Total		31,082.56	14,905.10
I. As	sets:			
1)	Non-current assets			
	a) Fixed assets	10		
	i) Tangible assets		1,771.67	1,260.42
	ii) Intangible assets		10,520.73	837,97
	iii) intangible Assets under Development		275,42	1,753.46
	b) Non current investments	11	9.50	9.50 43.87
	c) Long term loans and advances	12	308.91	43.07
2)				
	a) Trade receivables	13	2,920.65	7,137.44
THE S	b) Cash and cash equivalents	14	12,626.13	2,695.51
	c) Short-term loans and advances	15	2,005.32	556.39 610.54
	d) Other current assets	16	644.23	
	Total		31,082,56	14,905.10
Ad	lditional Notes to the Financial Statements	23		

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director
G. Raghavan Company Secretary





Profit and Loss Statement for the year ended 31st March 2012

(₹) in Lakhs

			(₹) in Lakh:
Particulars Particulars	Note No	For the year ended 31 March, 2012	For the year ended 31 March, 2011
I. Revenue from operations	17	8,542.43	10,742.45
II. Other Income	18	1,753.27	34.84
III. Total Revenue (I +II)		10,295.70	10,777.29
IV. Expenses:			
Purchase of software		F MENDERSON	5,157.33
Employee benefit expense	19	590.11	467.07
Selling, Adminstration & other expenses	20	3,278.08	2,425.55
Financial costs •	21	90,33	39.61
Depreciation and amortization expense	10	508.72	180.01
Miscellaneous Expenses	22	5,484.58	1,950.47
Total Expenses		9,951.82	10,220.04
V. Profit before exceptional and extraordinary items and tax	(III - IV)	343.88	557,25
VI. Extraordinary Items (prior period expenses)			
VII. Profit before tax		343.88	557.25
VIII.Tax expense:			
1) Current tax		70.80	133,34
2) Deferred tax		858.98	201,36
IX. Profit(Loss) from the period from continuing operations	(V - VI)	(585.90)	222.55
X. Earning per equity share:			
1) Basic		(2.68)	1.61
2) Diluted		(9.14)	1.59
Face value per Equity Share in ₹		10.00	10.00
Additional Notes to the Financial Statements	23		

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary





Cash Flow Statement For The Period Ended 31st March 2012

(₹) in Lakhs

PARTICULARS	3.31.2012	3.31.2011
A. Cash flow from Operating Activities		
Net profit as per Profit and loss account	(585.90)	222.55
ADJUSTMENTS FOR		
Depreciation in books	508.72	180.01
Preliminary expenditure written off		0.10
Deferred Tax	858.98	201.36
Share Issue Expenses written off		35.37
Provision for Income tax & FBT	70.80	133.34
Operating cash flows before adjusting for working capital changes	852.60	772.73
Adjustment for Working Capital changes		
Decrease/(Increase) in Sundry debtors	4,216.79	(4,340.23)
Decrease/(Increase) In other Current assets	(1,747.66)	(919.03)
Increase / (Decrease) in Current liabilities and provisions	(247.42)	126.28
Operating cash flow after Adjusting for working Capital changes	3,074.31	(4,360.25)
Net Cash Flow from operating activities - A	3,074.31	(4,360.25)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	4,688.88	1,313.68
Investment in Subsidiary		
Product Development Expenses	4,535.81	
Net cash From Investing activities - B	9,224.69	1,313.68
C. Cash flow from Financing Activities		
Proceeds from Share Capital	1,065.58	357.12
Proceeds from Share Application	612.90	825.00
Proceeds from Share Premium	13,366.94	6,573.52
Proceeds from Bank Loans	1,035.58	(409.50)
Proceeds from other Loans		68.40
Share Issue Expenses		(6.47)
Net Cash Flow From Financing Activities - C	16,081.00	7,408.07
Net Increase in cash and Cash equivalents (A + B + C)	9,930.62	1,734.14
Add: Cash and cash equivalents at the beginning of the year	2,695.51	/961.36
Cash and cash equivalents at the end of the year	12,626.13	2,695.50
Reconciliation	Walling to be a second	
Cash and cash equivalents at the end of the year	12,626.13	2,695.50
Add: Unrealised Exchange Fluctuation loss/(gain)		
Cash and cash equivalents at the end of the year(as above)	12,626.13	2,695.51

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan G. Gita S. Arvind Ilango Balakrishna T.S. Ravichandran Chairman & CEO Managing Director

Director Director Director

G. Raghavan

Company Secretary





Notes Forming Part of Financial Statement

NOTENO, 1

Company Information

The Company was incorporated on 13th March 2001 as a Private Limited Company under converted as a Public Limited Company and changed its name to Edserv Softsystems Limited. The Company is listed in National Stock Exchange and Mumbai Stock Exchanges. The Company does the business of Online Education, Vocational Training and Corporate Training.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation of statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAPP) in India and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, to the extent applicabl

Revenue Recognition

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on an accrual basis. Sales are recognized when services are rendered. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Sign up Fees are accounted in the year of sign up.

c. Fixed Assets

Fixed Assets are stated at original cost less depreciation. Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction related preoperative expenses form part of the value of the assets capitalised.

Capitalisation and Amortisation of Software Product Acquisition and Product Development Costs

Costs incurred towards acquisition and development of Computer Software products meant for sale, lease or otherwise marketed, are capitalised until the product is available for release to the customers. Capitalized Software Costs are amortised on a product-by-product basis based on straight-line method over the estimated economic life of the product. The carrying value of Capitalised Software Costs is reviewed at each Balance Sheet date and adjusted for any changes to the estimated economic life of the product.

e. Depreciation

Depreciation is charged for those assets which have been put into use during the year under straight line method on pro rata basis at the rates specified in Schedule XIV to the Companies Act, 1956 as amended by the Government of India, Ministry of Law, Justice & Company Affairs vide notification No. GSR 756 (E) dated 16.12.1993.

Depreciation on additions/deletions for the period is provided pro rata with reference to the month of addition/deletion.

Depreciation on Intangible Assets (Computer Software) are provided based on the management's estimate of useful lives and at the rate of 16.21% pro rata with reference to the month of addition/deletion.

f. Investments

Investments are valued at cost price. Any temporary diminution in the value of investment meant to be held for a long term is not recognized. There is no impairment perceived in investments as on date.

g. Taxation

The current charge for Income Tax and Fringe Benefit Tax is based on the tax liability computed after considering tax allowances and exemptions.

Deferred tax is provided using the liability method in respect of taxation effect arising from all material timing difference between the accounting and Tax treatment of Income and Expenditure which are expected with reasonable probability to crystallise in the forseeable future.

h. Earnings per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

i. Deferred Revenue Expenditure

The expenses relating to Brand Building and development of Course Content is deferred and the amount is written off over a period of 5 years from the year in which the expenditure is incurred.

j. Public Issue Expenses

Expenses related to Initial Public Offering (IPO) are written off in 5 equal instalments starting from the year of public issue.

k. Cash Flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

1. Employee Benefits

Expenses and Liabilities in respect of Employee benefits are recorded in accordance with Revised Accounting Standard 15 -Employee Benefits (Revised 2005)





i. Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of Gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for recognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses are determined.

ii. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the period in wich services are rendered by the employee.

m. Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the Profit and Loss Account on a straight tline basis over the lease term.

Impairment of Assets

The Company assesses at each Balance Shet 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 to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. 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 depreciated historical cost.

Foreign Exchange Transactions

The Revenue earnings are accounted on estimated basis at the date of the transaction and the Exchange Fluctuation is accounted separately on realisation.

Segment Reporting

The Company operates in the same segment which are subject to same risks and returns.

Miscellaneous Expenditure

Preliminary Expenses is amortised over a period of 10 years.

Interim Financial Reporting

Quarterly Financial results are published in accordance with the guidelines given by SEBI. The recognition ad measurement and measurement principles are laid down in the Standard are followed with respect to such results. The Quarterly results are also subjected to a limited review by the auditors as required by SEBI.

Consolidated Financial Statements

Consolidated Financial Statement of the Company and its subsidiary Vidhyadhana Education Services Private Limited are annexed.

t. Contingent Liabilities

Depending upon the facts of each case and after due evaluation of legal aspect, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.





Notes Forming Part of Financial Statement

(₹) in Lakhs

	5. 10 · 10 · 10 · 10 · 10 · 10 · 10 · 10		As at	As at
ote	- 3 - Share Capital		31.03.2012	31.03.20
otes:				
3	Share Capital			
	Authorised Share Capital:			
	4,00,00,000 (Previous Year 2,50,00,000) Equity Shares of ₹ 10/- each		4,000.00	2,500.0
	Issued, Subscribed and Fully Paid up Share Capital:			
	2,62,33,005 (Previous Year 1,55,77,242) Equity Shares of ₹ 10/- each		2,623.30	1,557.7
	Par Value per Share	*	10	1
	a Reconciliation of Number Equity Shares			
	Number of equity shares at the beginning of the year		15,577,242	12,006,0
	Add: Private Placement		10,655,763	3,571,2
	Number of equity shares at the end of the year		26,233,005	15,577,2
	b Rights, preferences and restrictions attached to shares			
	Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 pe share held. The equity shareholders are eligible to receive in the remaining assets of the c in proportion to their shareholding.	r share. Each Share l ompany after distrib	nolder is eligible i ution of all prefer	for one vote rential amou
	c Number of shares held by share holders more than 5% of total shares			
	Name of the Shareholder As at 31	st March 2012	As at 31st I	March 2011
	Number of Shares he		Number of Shares held	% of Hold

Shares held Shares held	Name of the Shareholder	As at 31st N	As at 31st March 2011		
GITA G 1,883,403			% of Holding		% of Holding
SHAG	GIRIDHARANS			1,883,434	12.09
VALDATHI INVESTMENTS DRIVATE LIMITED 3092447 11.79 3.731,370	GITAG			1,883,403	12.09
KALPATHI DAVESTMENTS ENTRATE COMMITTED	KALPATHI INVESTMENTS PRIVATE LIMITED	3092447	11.79	3,731,370	23.95
THE BANK OF NEW YORK MELLON, DR 8000000 30.50 -	THE BANK OF NEW YORK MELLON, DR	8000000	30,50		
PROSEL VENTURES PRIVATE LIMITED 2500000 9.53	PROSEL VENTURES PRIVATE LIMITED	2500000	9.53		7

d Details in the last 5 years

Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issued as Bonus Shares (Previous Year 1,20,06,000 Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issued as Bonus Shares)

ote -	4 - Reserves & Surplus	As at 31.	03.2012	As at 31.0	3.2011
4 I	Reserves and Surplus				
	Security premium reserve Opening balance	8,613.52		2,040.00	
	Add: Addition / (reduction)	13,366.95		6,573.52	BANK P
	Closing balance	21,980.47	21,980.47	8,613.52	8,613.52
1	General reserve				
	Opening balance	180.20		180.20	
	Add: transfer from profit & loss account		The lates	11000	
	Closing balance	180.20	180.20	180.20	180.20
	Surplus from Profit & Loss account				
	Opening balance	1,665.11		1,442.56	
	Add: Current year surplus	(585,90)		222.55	
	Less: Transfer to general reserve				
	Less: Proposed dividend				
	Less: Dividend tax provision				
	Closing balance	1,079.21	1,079.21	1,665.11	1,665.1
		表表 12 mm 1	23,239.88	The state of	10,458.83





(₹) in Lakhs

5 1	5 - Long Term Borrowings	As #1 \$1.05,2012	31.03.201
	Long term Borrowings		
	a Term Loans		
	From Banks (Secured by Hypothecation of Assets)		
	Term Loan Secured against Fixed Deposit	397.23	170.47
	Term Loan Secured by Hypothecation of Machinery	133,33	FEE
	Vehicle	10.00	16.57
	iii) From other parties	750.46	68.40
	(repayment terms)		
	C Deferred payment liabilities		
	d Deposits		
	e Loans and advances from related parties		
1	f Long term maturities of finance lease obligations		
	g other loans and advances - Unsecured		
		1,291.02	255.44
	NATURE OF SECURITY TERMS OF REPAYMENTS		
	For each head for loan the following disclosure has to be made separately Classfy as secured and unsecured Securities offered for secured borrowings Loans guaranteed by directors or others		
Inte - 6	Period and amount of continuing default as on balance sheet date in repayment of loan & interest - Long Term Provisions	As at	As at
		31.03.2012	31.03.201
MINE!	a Provision for Deferred Tax	1,262.27	403.29
I	b Others - Gratuity Mgmt	30.90	13.77
	。 [2] [3] [4] [4] [4] [4] [4] [4] [4] [4] [4] [4	1,293.17	417.06
Note 7:	Trade Payables		
2	a Trade Payables		
		474.14	756.12
		474.14 474.14	
lote 8:	Other Current Liabilities		
SE POLICE			756.12 756.12
8 (Other Current Liabilities		
8 (Other Current Liabilities Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations		
8 (Other Current Liabilities Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c Interest accrued but not due on borrowings		
8 (Other Current Liabilities Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c Interest accrued but not due on borrowings d Interest accrued and due on borrowings		
8 (Other Current Liabilities Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c Interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance	474.14	756.12
8 (Other Current Liabilities Other Current Maturities of long term debt of Current maturities of Finance lease obligations of Interest accrued but not due on borrowings of Interest accrued and due on borrowings of Income received in advance of Unpaid dividends		756.1
8 (1 0 0 1 1	Other Current Liabilities Other Current Maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued	474.14	756.1
8 (i	Other Current Liabilities Other Current maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued Unpaid matured deposits and interest accrued there on	474.14	
8 (i	Other Current Liabilities Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations therest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance f Unpaid dividends Application money received for allotment / due for refund / interest accrued h Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on	0.60	756.12
8 (1 0 0 1 1	Other Current Liabilities Other Current maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued Unpaid matured deposits and interest accrued there on	0.60	756.12 0.6
8 (1 2 4 5 4 1 1 1	Other Current Liabilities Other Current maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL	0.60	756.12
8 (Other Current Liabilities Other Current maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL	0.60	756.12 0.6
8 (; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	Other Current Liabilities Other Current maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL Short Term Provisions	0.60 33.86 34.46	0.6
s (; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c Interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance f Unpaid dividends Application money received for allotment / due for refund / interest accrued h Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL Short Term Provisions Short term provisions Provisions for employee benefits	0.60 33.86 34.46	97.5 97.5
8 (i i j j) Note 9 :	Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c Interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued h Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL Short Term Provisions Short term provisions a Provisions for employee benefits b Others (Professional Tax)	0.60 33.86 34.46 37.43 1.08	756.12 0.6 97.5
8 (i i j j) Note 9 :	Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c Interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance (Unpaid dividends g Application money received for allotment / due for refund / interest accrued h Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL Short Term Provisions Short term provisions Short (Professional Tax) Provision for income tax.	0.60 33.86 34.46	756.12 0.6 0.6
s (; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	Other Current Liabilities Current maturities of long term debt Current maturities of Finance lease obligations Interest accrued but not due on borrowings Interest accrued and due on borrowings Income received in advance Unpaid dividends Application money received for allotment / due for refund / interest accrued Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL Short Term Provisions Frovisions for employee benefits Others (Professional Tax) Provision for income tax. Provision for Sales tax	0,60 33.86 34.46 37.43 1.08 299.27	756.1: 0.6 97.5 1.4 228.4
s (; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance f Unpaid dividends g Application money received for allotment / due for refund / interest accrued in Unpaid matured deposits and interest accrued there on in Unpaid matured debentures and interest accrued there on in Unpaid matured debentures and interest accrued there on in Other payables OSL Short Term Provisions Short ferm provisions or Provisions for employee benefits on Others (Professional Tax) Provision for Sales tax Provision for Pf	33.86 34.46 37.43 1.08 299.27	756.12 0.6 97.5 1.4 228.4
s (; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance f Unpaid dividends g Application money received for allotment / due for refund / interest accrued h Unpaid matured deposits and interest accrued there on Unpaid matured debentures and interest accrued there on Other payables OSL short Term Provisions s Provisions for employee benefits b Others (Professional Tax) Provision for income tax Provision for PF Provision for PF Provision for ESIC	33.86 34.46 37.43 1.08 299.27 6.83 0.64	756.12 0.6 97.5 1.4 228.4
8 (i i j j l l l l l l l l l l l l l l l l	Other Current Liabilities a Current maturities of long term debt b Current maturities of Finance lease obligations c interest accrued but not due on borrowings d Interest accrued and due on borrowings e Income received in advance f Unpaid dividends g Application money received for allotment / due for refund / interest accrued in Unpaid matured deposits and interest accrued there on in Unpaid matured debentures and interest accrued there on in Unpaid matured debentures and interest accrued there on in Other payables OSL Short Term Provisions Short ferm provisions or Provisions for employee benefits on Others (Professional Tax) Provision for Sales tax Provision for Pf	33.86 34.46 37.43 1.08 299.27	756.12 0.6 97.5 1.4 228.4





The second secon		All the District	A TOWN	\$145 P.Su.			135 435			(₹) in Lak
Note - 10		Gros	s Value			Depre	ciation		Closing	g balance
Varticular	01.04.2011	Additions		31.03.2012	Upto 31.03.211	Charge for		Upto 31.03.2012	31.03.2012	
0 - a. Tangible Assets										
a Plant & Machinery	10.03	1.85		11,88	0,30	0.26		0.56	11.32	2
b Office Equipments	11.34			11.34	6.72	0.60		7,32	4.03	
c Furniture & Fixtures	522.69	0.55		523.24	11.88	32.05		43.93	479.31	1 5
d Vehicles	28.97			28.97	1.94	1.27		3.21	25,76	6
e Computers	992,26	784.72		1,776.97	284.02	241.70		525.73	1,251.25	5 7
Total	1,565,29	787.12		2,352.40	304.86	275.88		580.75	1,771.67	7 1,26
Figures for the previous year	(1080.51)	(484.78)	0.00	(1565.29)	(145.41)	(159.45)	0.00	(304.86)	(1260.43)) (93
) - b. Intangible Assets						CASSAGE E				
a (Computer Software & IP Rights)	926.14	9,915.61		10,841.75	88,18	232.84		321.02	10,520.73	3 8
Figures for the previous year	(97,24)	(828.90)	0.00	(926.14)	(67.61)	(20.56)	0.00	(88.18)	(837.97)) (2
Note 11 : Non Current Invest	ment								s at 3.2012 3	As at
Onspec Techologies Note 12: Long Term Loans & Long term loans and ac a Capital Advance	Advances dvances								9.50	9,
b Security deposits (t c Loans and advances d Other loans and adv	s to related pa		od)						152.61 156.30 308.91	43.
Note 13: Trade Receivable	多种性 等	THE PARTY OF THE P							T. C.	
13 Trade receivables a Trade receivables of more than 6 months others	AND DESCRIPTION OF THE PARTY OF	r.							,920.65 920.65	1,548. 5,588. 7,137.
2 Unsecur 3 Doubtfu		red good						2,	,920.65	7,137
Allowance for bad & c Debts due by 1 Director	& doubtful und r or other offi							2,0	920.65	7,137.
2 Any of t	the above join private comp	ntly / severall	ly along with			mber				
								2,7	920.65	7,137





		National State of Control	Para and a second	STATE OF PERSON	(र) in Lakl
Not	te 14: Cash & Bank Balance			As at 31.03.2012	Ar at 31,03,201
14	Cash and Bank Balances				
	a Cash and cash equivalents				
	i Balance with banks In current account				
	in current account for			31,00	2,228,36
	in deposits (having maturity period less than 3 months)			Burn of the	
	ii Cash in hand			0.00	
	lii Cheques, drafts in hand			0.60	27.42
	b Other Bank Balances:				
	in Deposit account (having maturity period more than 3 months)				
	in Deposit account (having maturity period more than 12 months)				
	in foreign account			12,149.10	
	in Fixed deposit & Margin money			436,68	409.17
	c Others (Specify)			8.75	30.56
				The second control of the second	To person of the second
Nato	e 15: Short Term Loans & Advances	ESSENCE AND DIVENIES		12,626.13	2,695,51
	SELECTION OF THE PROPERTY OF T				
15	Short term loans and advances.				
	a Loans and advance to related parties (provide details there of) b Others (Advance to supplier, Unsecured, considered good)			242140300	
	C Others (Staffs, Unsecured, considered good)			2,005.32	556.39
	c buleta (statis, trisecured, torishiered good)				
D.F.				2,005.32	556.39
Note	e 16: Other Current Assets				
16	Other current assets				
	a VAT tax input credit			32.05	55.22
	b Service Tax credit (excess)			221,87	242.88
	c Interest accrued			39.89	
	d Income tax refund receivable(Incometax Paid, TDS Receivable & FF	rr)		307.10	233.75
POSE.	e Share Issue Expenses			43.32	78.69
900				644.23	610.54
	: 17: Revenue from Operations	As at 31.	03.2012	As at 31,	03.2011
17	Revenue from operations				
	a Sale of Products			2000年8月15日	
	Export Sales			3,116	
	Domestic Sales		The state of the s	10,000	3,116
	Reimbursement of Vocational Training Application Fees	2,000.00 5,505.15		4,152.73	
	Student Registration Fee	1,030.18		2,277.52 24.83	
	Brand License Access Fee			1,171.35	
	Consultancy service	7.10			7,626.43
		BONESO - THE SALE	8,542.43		
12			0,312.13		
5116	Other operating revenues				A SHOW
			8,542.43		10,742.45
	Less:				
d	Excise Duty paid				
		是国际 图 770	8,542.43		10,742.45
iote .	18: Other Income				
8	Other Income				
	a Interest Income	86.77	86.77	34.84	34.84
	b Dividend Income				
25000	C Net gain / (loss) on sale of investment		TO SEPTION		
	d Other non operating income	1,665.71			
	Rent Receipt		SALAN BANK		
nie s	Other Income	0.79			
THE ST			1,666.50		THE PARTY OF
		The second secon	1,000.50		
			1 753 27		





		(₹) in Lak
	As at 31.03.2012	As at 31.03.201
vote 19: Employee Benefit Expense		TO TO E
Employee Benefit Expense	549,56	450.0
Salaries & Wages	17.14	4.84
Gratuity	4,59	3.1
Performance Pay	11.55	7.8
Providend fund & Super annuation fund	7,27	1.2
Bonus	590.11	467.0
The state of the s	2000年100日 100日	
lote 20: Administrative, Selling and Distribution Expenses		
Administrative, Selling and Distribution Expenses		
Administration expenses	73.73	66.4
Rent	295,76	636.3
Advertisement Expenses	11.71	10,
Electricity & Maintenance	18.61	10.
Printing and Stationeries	38,66	3.
Repairs and Maintenance-Building	3.07	35.
Repair and Maintenance Others	34.36	47.
Telephone and Fax Charges		80.
Commission to Executive Directors		21.
Commission to Non Executive Directors	1000	5.
Postage Telegram & Couriers	3,42	42.
Travelling and Conveyance	64.29	
Other Administration & Miscellaneous charges	1,999.25	126.
MODES Expenses	648.27	1,245,
Vehicle Finance Charges	1,19	2.
Audit Fees		Esta
For Statutory Audit	10.00	4.
For Tax Audit	5.00	1
For other services	21.00	15.
Internal Audit Fees	1.50	3.
	48.26	68
Consultancy & Legal Charges	3,278.08	2,425.
Note 21: Financial Expenses		
Financial expenses		
a Interest Expenses	47.72	33
b Other borrowing cost	41.75	
c Net Loss / (Gain) on foreign currency transaction		
d Forward cancellation		
	0.86	10000001
e Bank charges	90.33	39.
Note 22: Miscellaneous Expenses		
Miscellaneous Expenses		HE SHE
Share Issue Expenses Written Off	35,37	35
Bad debts written off	5,449.21	1,915
Preliminary Ex[emses Wrottem Off		0
	5,484.58	1,950.





23. ADDITIONAL NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- a. As at the Balance Sheet date the Company does not have any dues outstanding to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act and as such no interest is paid or payable or accrued or outstanding during the year to any suppliers who are covered under the Micro, Small and Medium Enterprises Development Act, 2006.
 - The Company is engaged in the business of Software Development / Services and licensing of Software Products and related services. The production and sale of such software and related services cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and information as required under paragraphs 3, 4C and 4D of Part II to Schedule VI to the Companies Act, 1956.

Employee Benefits:

Gratuity

ь.

Amount recognized in the Profit and Loss Account is as under:

		led (in ₹)
	31,3,2012	31.3.2011
Current Service Cost	5,18,614	5,16,216
interest Cost	1,10,136	71,444
Actuarial (Gain)/Loss recognized during the year	(2,91,765)	(1,04,011)
Past Service Cost		
TOTAL	3,36,985	4,83,649

Movement in the liability recognized in the Balance Sheet is as under;

Description	Yearen	ded (in ₹)
	31.3,2012	31,3.2011
Present value of defined benefit obligation as at the beginning of the year	13,76,696	8,93,047
Current Service Cost	3,36,985	4,83,649
Actuarial (Gain)/Loss recognized during the ear	17,13,681	13,76,696
Past Service Cost		
Total	17,13,681	13,76,696

The company has not funded the above amount. The Gratuity is determined for all the employees of the Company on the basis of an independent actuarial valuation. The specific amount of gratuity for Whole Time Directors cannot be ascertained separately and accordingly the same has not been given separately. For determination of the Gratuity liability of the Company, it is assumed at a Discount rate of 8%, rate of increase in compensation levels of 5%, resignation rate per annum 3% and LIC mortality table 1994-96 for valuation.

Contributions made by the Company to Provident Fund during the year is ₹5,70,143/- (Previous Year ₹7,86,889/-)

The Employment term does not provide for Leave Encashment and hence no provision has been made in the accounts.

Earnings in Foreign Exchange:

in (₹)

Description	Year E	nded in
Decipion	31.3.2012	31.3.2011
Value of Export Income	Nil	31,16,02,000





 $There is no Expenditure in Foreign Currency during the year (Previous \, Year-Nil).$ e.

The Company is into only one Segment of Software Training and Development and Project Consultancy and the Company operates presently in f. India and outside India.

Secondary Segmental information - Geographical

(₹) in lakhs

Revenue	20311-2012	2010-2011
	8542.43	7626.43
India Outside India		3116.02
TOTAL	8542.43	10,742.45

Earnings per Share – Basic and Diluted Earnings Per Share

	2012	2011
No. of Equity Shares allotted at the beginning of the year	15577242	12006000
No. of Equity Shares application received for preferential allotment	420561	19930
Weighted Average No. of Equity Shares		
For Basic Farnings per Equity Share	21877718	13854893
For Diluted Earnings per Equity Share	6411249	13978136
Profit After Tax	(58590596)	22,254,659
Basic Earnings per Equity Share	-2.68	1.61
Diluted Earnings per Equity Share	-9.14	1.59

Related Party Disclosures:

The following are Related Parties where Control exists and where there were transactions.

S.No.	Name	Remarks
1	Mr. S. Giridharan	Director / Managing Director
2	Mrs. G. Gita	Managing Director / Director
3	Vidhyadhana Education Private Limited	Subsidary





Related Party Transactions for the year ended 31st March 2011;

.No.	Name	Nature of Transaction	Value of Transaction in (₹)		Balance at year end (₹)	
			2011-12	2010-11	2011-12	2010-11
Mr. S. G	iridharan	Salary	60,00,000/-	1,00,00,000/-		
		PF	9,360/-	9,360/-		
		Dividend		17,69,797/-		
Mrs. G.	Gita	Salary	42,00,000/-	82,00,000/-		
		PF	9,360/-	9,360/-		
		Dividend		17,69,797/-		
Vidhyad	lhana Education Private Limited	Sales		4,07,80,846/-		4,07,80,846/
2075		Advances (Net)	(71,61,467)	65,65,500/-	4,01,84,879/-	65,65,500/
		Investment	1,00,000/-		1,00,000/-	1,00,000/

Major components of Deferred Tax assets and liabilities arising on account of timing differences are:

(₹)In Lakhs

Amount in ₹	2011-12	2010-11
Depreciation - Liability	8,53,15,676/-	2,03,00,471/
Provision for Gratuity - Asset	5,82,481/-	1,64,392/
Net Deferred Tax Liability	8,58,98,157/-	2,01,36,079/-

- The Company has taken various offices under operating lease agreements. These are generally cancelable and are renewable by mutual consent on mutually agreed terms. Rental Expenses of ₹ 69,60,495/- (Previous Year ₹ 61,99,396/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account.
- There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as on 31st March 2012 (Previous Year Nil).
- Computation of net profit in accordance with Section 349 of the Companies Act, 1956, and calculation of commission payable to non-wholetime directors:



j.



(₹)In Lakhs

Particulars for the year ended	31/03/2012	31/03/2011
Net Profit after tax from ordinary activities	(585.91)	222.54
1. Whole-time Directors' remuneration	102.00	182.00
2. Directors' sitting fees	1.40	1.55
3. Commission to non-whole time directors		21,53
4. Depreciation as per books of accounts	508.72	180.01
5. Provision for taxation	929.78	334.70
	955.99	942.34
ess:		
1. Depreciation as envisaged under Section 350 of the Companies Act, 1956	508.72	180.01
2. Profit of a capital nature		
Net profit on which managerial remuneration is payable Commission payable to non		
whole-teime directors	447.27	762.33
Maximum allowed as per the Companies Act, 1956 @ 10% for all the Directors.	44.73	76.23

- m. Confirmations of Balance from Sundry Debtors, Deposit accounts, Loans and Advances, Certain Creditors have not been obtained. Accounts of certain sundry debtors, loans and advances, deposits and creditors are under review and reconciliation. Adjustments, if any will be made on completion of review/reconciliation / identification of doubtful debts/advances.
- n. The Company has initiated the process of review of impairment of assets in the respect of the tangible, intangible and other current assets their results in such impairment is awaited, The financial implication if any on the above will be provide appropriately at later stage.
- o. The Company has been subjected to survey by Income Tax Department during the year. The amounts of demand from the Income Tax Department for the preceding years are before appellate authority. Further notices were issued by the assessing officer for reassessment of earlier years. The assessment proceedings are in various stages and are yet to be completed. The company is confident the matter shall be decided later and financial implications on above cannot be ascertained as on date, Hence no provision is made for such matters in the books.
- p. The Financial statements for the year ended March, 31 2011 had been prepared as per the then applicable, Pre-revised Schedule VI to the companies act 1956. Consequent to the notification of Revised Schedule VI under the Companies Act 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement of principles followed for preparation of financial statements.

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director

Ilango Balakrishna Director T.S. Ravichandran Director

G. Raghavan Company Secretary





Disclosure of information relating to subsidiary companies (Pursuant to approval by Ministry of Company Affairs under section 212(8) of the compannies Act 1956)

(₹) in Lakhs

VIDHYADHANA EDUCATION PRIV	ATE LIMITED
Financial Year ended	31°March, 2012
Country of Incorporation	India
Share Capital	1.00
Share Application Money	
Reserves	(66.70)
Minority Interest	
Loan Funds	
Current Liabilities & Provisions)	555.14
Deferred Tax Liability	
Total Liablities	489.44
Net Fixed Assets	
Capital Work in Progress	
Net Intangible Assets	
Investments	
Current Assets, Loans & Advances	489.20
Debit Balance in profit & loss A/C	
Deferred Tax Asset	
Miscellaneous Expenditure	0.24
Total Assets	489.44
Revenue /Income	29.53
Profit / (Loss) Before Taxation	(57.66)
Deferred Tax Asset	
Provisions for Taxation - Current	
Deferred	
Fringe Benefit Tax	
Profit /(Loss) After Taxation	(57.66)
Proposed Dividend	
Details of Investments	
Quoted - Non Trade - Current	
Quoted - Non Trade - long Term	
Unquoted - Subsidiaries	
Unquoted - Non Trade Others	
Total Investments	





Auditor's Report on Consolidated Financial Statements to the Board of Directors of EdServ Softsystems Limited

- We have audited the attached Consolidated Balance Sheet of Edserv Softsystems Limited and its Subsidiary, M/s Vidhyadhana Education Private Limited as at March 31, 2012 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on the data annexed thereto. These Financial Statements have been approved by the Board of Directors of the Company. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principal used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We report that the Consolidated Financial Statements have been prepared by the Company's management and as per information and explanation
 given to us, in accordance with the requirements of Accounting Standards ("AS") 21, Consolidated Financial Statements as notified under th
 Companies (Accounting Standards) Rules, 2006.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true an
 fair view in conformity with the Accounting principles generally accepted in India except the following;
 - Note No. 23.1 to Financial Statements regarding Confirmations of Balance from Sundry Debtors, Deposit accounts, Loans and Advances
 Certain Creditors have not been obtained. Accounts of certain sundry debtors, loans and advances, deposits and creditors are unde
 review and reconciliation. Adjustments, if any will be made on completion of review/reconciliation / identification of doubtfu
 debts/advances.
 - ii. Note No. 23.m to Financial Statements: The Company has initiated the process of review of impairment of assets in the respect of the tangible, intangible and other current assets their results in such impairment is awaited, The financial implication if any on the above will be provide appropriately at later stage.
 - iii. Note No. 23.n to Financial Statements: The Company has been subjected to survey by Income Tax Department during the year. The amounts of demand from the Income Tax Department for the preceding years are before appellate authority. Further notices wer issued by the assessing officer for reassessment of earlier years. The assessment proceedings are in various stages and are yet to be completed. The company is confident the matter shall be decided later and financial implications on above cannot be ascertained as o date, Hence no provision is made for such matters in the books.

In all the cases referred to above, effect on financial statements is not ascertainable. We do not express independent opinion on these matters.

- 5. Subject to our comments vide para 4.1, 4.ii, and 4.iii above,
 - a. in the case of the Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - in the case of the Consolidated Profit and Loss Account, of the Loss for the year ended on that date;
 - In the case of the Consolidated Cash Flow Statement of the Cash Flows for the year ended on that date.

For RAJ AND RAVI Chartered Accountants

V. RAJ (Membership No. 23211) Partner Firm Registration No. 010935S

Place: Chennai Date: 30.05.2012





Consolidated Balance Sheet As At 31st March 2012

(₹) in Lakhs

			(₹) in Lak
Particulars	Note No	As at 31- March, 2012	As at 31 March, 201
EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	3	2,623.30	1,557.72
b) Reserves and Surplus	4	23,135.09	10,411.70
c) Money received against share warrants		1,488.01	875,11
2) Non-Current Liabilities			
a) Long-term borrowings	5	1,291.02	255,44
b) Long term provisions	6	1,293.17	417.06
3) Current Liabilities			
a) Trade payables	7	474.14	663.80
b) Other current liabilities	8	225.84	100,37
c) Short-term provisions	9	638.58	586.65
Total		31,169.15	14,867.85
ASSETS			
1) Non-current assets			No. of the last of
a) Fixed assets	10		
i) Tangible assets		1,771.67	1,260.43
ii) Intangible assets		10,520.73	837.96
iii) intangible Assets under Development		275.42	1,753.46
b) Non current investments	11	8.50	8.50
c) Long term loans and advances	12	308.91	43.87
2) Current assets			
a) Trade receivables	13	3,326.00	7,539,31
b) Cash and cash equivalents	14	12,630.10	2,699.01
c) Short-term loans and advances	15	1,683.36	114.38
d) Other current assets	16	644.46	610.93
Total		31,169.15	14,867.85
Additional Notes to the Financial Statements	23		

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director
G. Raghavan Company Secretary





Consolidated Profit and Loss Statement for the year ended 31st March 2012

(₹) in Lakhs

	Daniel Control		(X) III Lakii
Particulars	Note No	As at 31 March, 2012	As at 31 March, 2011
I. Revenue from operations	17	8,571.76	12,182.21
II. Other Income	18	1,753.47	34.84
III. Total Revenue (1 +II)		10,325.23	12,217.05
IV, Expenses:		相談物學習	
Purchase of software	图图 136		5,157.33
Employee benefit expense	19	647.22	871.97
Selling, Adminstration & other expenses	20	3,307.41	3,507.43
Financial costs	21	90.33	39.61
Depreciation and amortization expense	10	508.72	180.01
Miscellaneous Expenses	22	5,485.33	1,950.58
Total Expenses	AND CHARLES	10,039.01	11,706.93
V. Profit before exceptional and extraordinary items and tax	(III - IV)	286.22	510,12
VI. Extraordinary Items (prior period expenses)			
VII. Profit before tax		286.22	510,12
VIII. Tax expense:		70 80	133.34
1) Current tax		70.80	201.36
2) Deferred tax		858.98	
IX. Profit(Loss) from the period from continuing operations	(V - VI)	(643,56)	175.42
X. Farning per equity share:			
1) Basic		(2.94)	1.6
2) Diluted		(10,04)	1.59
Face value per Equity Share in ₹		10.00	10.00
Additional Notes to the Financial Statements	23		

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05,2012 For and on behalf of the Board of Directors

S. Giridharan G. Gita S. Arvind Ilango Balakrishna T.S. Ravichandran

G. Raghavan

Chairman & CEO Managing Director Director

Director Director

Company Secretary





Consolidated Cash Flow Statement For The Period Ended 31st March 2012

(₹) in Lakhs

385			(<) in
	PARTICULARS	3,31,2012	3.31.2011
A.	- Francis de l'activitées		
	Net profit as per Profit and loss account	(643.56)	175.42
	ADJUSTMENTS FOR		
	Depreciation in books	508.72	180.01
	Preliminary expenditure written off		0.21
	Deferred Tax	858,98	201.36
	Share Issue Expenses written off		35.37
	Provision for Income tax & FBT	70.80	133,34
	Operating cash flows before adjusting for working capital changes	794.94	725.71
	Adjustment for Working Capital changes		
	Decrease/(Increase) in Sundry debtors	4,213.31	(4,268.64)
	Decrease/(Increase) In other Current assets	(1,867.66)	(949.75)
	Increase / (Decrease) in Current liabilities and provisions	(101.81)	135.93
	Operating cash flow after Adjusting for working Capital changes	3,038.78	(4,356.75)
	Net Cash Flow from operating activities - A	3,038.78	(4,356.75
В.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	4,688.88	
	Investment in Subsidiary		1,313.68
	Product Development Expenses	4,535.81	
	Net cash From Investing activities - B	9,224.69	1,313.68
C.	Cash flow from Financing Activities		
	Proceeds from Share Capital	1,065.58	357,12
	Proceeds from Share Application	612.90	825.00
	Proceeds from Share Premium	13,366.95	6,573.52
	Proceeds from Bank Loans	1,035.57	(341.10)
	Proceeds from other Loans		(6,47)
	Share Issue Expenses		
	Net Cash Flow From Financing Activities - C	16,081.00	7,408.07
	Net Increase in cash and Cash equivalents (A + B + C)	9,895.09	1,737.64
	Add: Cash and cash equivalents at the beginning of the year	2,699.01	961.37
	Cash and cash equivalents at the end of the year	12,594.10	2,699.01
	Reconciliation		
	Cash and cash equivalents at the end of the year	12,630.10	2,699.01
	Add: Unrealised Exchange Fluctuation loss/(gain)		
	Cash and cash equivalents at the end of the year(as above)	12,630.10	2,699.01

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan G. Gita S. Arvind

Ilango Balakrishna T.S. Ravichandran

G. Raghavan

Chairman & CEO Managing Director

Director Director Director

Company Secretary





Consolidated Notes Forming Part of Financial Statement

NOTE NO. 1

Company Information

The Company was incorporated on 13th March 2001 as a Private Limited Company under converted as a Public Limited Company and changed its name to Edserv Softsystems Limited. The Company is listed in National Stock Exchange and Mumbai Stock Exchanges. The Company does the business of Online Education, Vocational Training and Corporate Training.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation of statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAPP) in India and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, to the extent applicabl

b. Revenue Recognition

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on an accrual basis. Sales are recognized when services are rendered. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Sign up Fees are accounted in the year of sign up.

c. Fixed Assets

Fixed Assets are stated at original cost less depreciation. Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction related preoperative expenses form part of the value of the assets capitalised.

d. Capitalisation and Amortisation of Software Product Acquisition and Product Development Costs

Costs incurred towards acquisition and development of Computer Software products meant for sale, lease or otherwise marketed, are capitalised until the product is available for release to the customers. Capitalized Software Costs are amortised on a product-by-product basis based on straight-line method over the estimated economic life of the product. The carrying value of Capitalised Software Costs is reviewed at each Balance Sheet date and adjusted for any changes to the estimated economic life of the product.

e. Depreciation

Depreciation is charged for those assets which have been put into use during the year under straight line method on pro rata basis at the rates specified in Schedule XIV to the Companies Act, 1956 as amended by the Government of India, Ministry of Law, Justice & Company Affairs vide notification No. GSR 756 (E) dated 16.12.1993.

Depreciation on additions/deletions for the period is provide pro rata with reference to the month of addition/deletion.

Depreciation on Intangible Assets (Computer Software) are provided based on the management's estimate of useful lives an at the rate of 16.21% pro rata with reference to the month of addition/deletion.

f. Investments

Investments are valued at cost price. Any temporary diminutio in the value of investment meant to be held for a long term is no recognized. There is no impairment perceived in investments a on date.

g. Taxation

The current charge for Income Tax and Fringe Benefit Tax based on the tax liability computed after considering ta allowances and exemptions.

Deferred tax is provided using the liability method in respect taxation effect arising from all material timing different between the accounting and Tax treatment of Income are Expenditure which are expected with reasonable probability to crystallise in the forseeable future.

h. Earnings per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary / exceptional item. The number of shares used computing basic earnings per share is the weighted average number of shares outstanding during the period. The number shares used in computing diluted earnings per share comprise the weighted average shares considered for deriving base earnings per share, and also the weighted average number equity shares that could have been issued on the conversion of a dilutive potential equity shares.

Deferred Revenue Expenditure

The expenses relating to Brand Building and development Course Content is deferred and the amount is written off over period of 5 years from the year in which the expenditure incurred.

Public Issue Expenses

Expenses related to Initial Public Offering (IPO) are written off 5 equal instalments starting from the year of public issue.

k. Cash Flow statement

Cash flows are reported using the indirect method, whereby n profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or futu cash receipts or payments. The cash flows from regular reven generating, investing and financing activities of the Company a segregated.

1. Employee Benefits

Expenses and Liabilities in respect of Employee benefits a recorded in accordance with Revised Accounting Standard 15 Employee Benefits (Revised 2005)





i. Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of Gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for recognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses are determined.

ii. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the period in wich services are rendered by the employee.

m. Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the Profit and Loss Account on a straight tline basis over the lease term.

n. Impairment of Assets

The Company assesses at each Balance Shet 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 to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. 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 depreciated historical cost.

o. Foreign Exchange Transactions

The Revenue earnings are accounted on estimated basis at the date of the transaction and the Exchange Fluctuation is accounted separately on realisation.

p. Segment Reporting

The Company operates in the same segment which are subject to same risks and returns.

Miscellaneous Expenditure

Preliminary Expenses is amortised over a period of 10 years.

Interim Financial Reporting

Quarterly Financial results are published in accordance with the guidelines given by SEBI. The recognition ad measurement and measurement principles are laid down in the Standard are followed with respect to such results. The Quarterly results are also subjected to a limited review by the auditors as required by SEBI.

s. Consolidated Financial Statements

Consolidated Financial Statement of the Company and its subsidiary Vidhyadhana Education Services Private Limited are annexed.

t. Contingent Liabilities

Depending upon the facts of each case and after due evaluation of legal aspect, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.





As at 31.03.2012

Note - 3 - Share Capital

Consolidated Notes Forming Part of Financial Statement

(₹) in Lakhs

As at 31.03.2011

3 Sh	are Capital				
At	ithorised Share Capital:				
	4,00,00,000 (Previous Year 2,50,00,000) Equity Shares of ₹ 10/- each			4,000.00	2,500.0
ls	sued, Subscribed and Fully Paid up Share Capital:				
	2,62,33,005 (Previous Year 1,55,77,242) Equity Shares of ₹ 10/- each			2,623.30	1,557.7
Pa	ar Value per Share	*		10	1
	The same of the sa				
а	Reconciliation of Number Equity Shares Number of equity shares at the beginning of the year			15,577,242	12,006,00
	Add: Private Placement			10,655,763	3,571,24
	Number of equity shares at the end of the year			26,233,005	15,577,24
ь	Rights, preferences and restrictions attached to shares				TOO IS
	Equity Shares: The Company has one class of equity shares having a par per share held. The equity shareholders are eligible to receive in the retamounts, in proportion to their shareholding.				
c	Number of shares held by share holders more than 5% of total share	es			
	Name of the Shareholder	As at 31st	March 2012	As at 31st Ma	rch 2011
		Number of	% of Holding		% of Holdi
灣馬	A MARKING THE PARTY OF THE PART	Shares held		of Shares held	
GIRIDHAR	AN S			1,883,434	12.0
GITA G				1,883,403	12.0
CALPATHI	INVESTMENTS PRIVATE LIMITED	3092447	11.79	3,731,370	23.
THE BANK	OF NEW YORK MELLON, DR	8000000	30.50		
PROSEL VE	ENTURES PRIVATE LIMITED	2500000	9,53		
EW ESS			A STATE OF THE STA	The second second	NAME AND ADDRESS OF THE OWNER, WHEN
d	Details in the last 5 years				
d	Details in the last 5 years Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue	ed as Bonus Shares	(Previous Year 1,	20,06,000 Equity 5	hares of ₹1
d					shares of ₹1
	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/-			es) As at	As at
	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue			es)	As at
Note - 4 -	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/-			es) As at	As at
Note - 4 -	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve	each fully paid issu		es) As at	shares of ₹1 As at 31.03.20
Note 4	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance	each fully paid issu		As at 31.03.2012	As at
Note 4	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction)	8,613.52 13,366.95	ed as Bonus Shar	As at 31.03.2012 2,040.00 6,573.52	As at 31.03.20
Note - 4 - 4 Res	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- of the serves & Surplus Serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance	each fully paid issu		As at 31.03.2012	As at 31.03.20
Note 4	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance General reserve	8,613.52 13,366.95 21,980.47	ed as Bonus Shar	As at 31.03.2012 2,040.00 6,573.52 8,613.52	As at 31.03.20
Note - 4 - 4 Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance General reserve Opening balance	8,613.52 13,366.95	ed as Bonus Shar	As at 31.03.2012 2,040.00 6,573.52	As at 31.03.20
Note - 4 - 4 Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance General reserve Opening balance Add: transfer from profit & loss account	8,613.52 13,366.95 21,980.47	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52	As at 31.03.20
Note - 4 - 4 Res	Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance General reserve Opening balance Add: transfer from profit & loss account Closing balance	8,613.52 13,366.95 21,980.47	ed as Bonus Shar	As at 31.03.2012 2,040.00 6,573.52 8,613.52	As at 31.03.20
Note - 4 - 4 Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Reserves & Surplus Serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance Opening balance Add: transfer from profit & loss account Closing balance Surplus from Profit & Loss account	8,613.52 13,366.95 21,980.47 180.20	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20	As at 31.03.20
Note - 4 - Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Opening balance Surplus from Profit & loss account Opening balance Surplus from Profit & Loss account Opening balance	8,613.52 13,366.95 21,980.47 180.20 1,617.98	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20 1,442.56	As at 31.03.20
Note - 4 - Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Opening balance Surplus from Profit & loss account Opening balance Add: Current year surplus	8,613.52 13,366.95 21,980.47 180.20	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20	As at 31.03.20
Note - 4 - Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- or Reserves & Surplus serves and Surplus Security premium reserve Opening balance Add: Addition / (reduction) Closing balance General reserve Opening balance Add: transfer from profit & loss account Closing balance Surplus from Profit & Loss account Opening balance Add: Current year surplus	8,613.52 13,366.95 21,980.47 180.20 1,617.98	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20 1,442.56	As at 31.03.20
Note - 4 - Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- of ₹10	8,613.52 13,366.95 21,980.47 180.20 1,617.98	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20 1,442.56	As at 31.03.20
Note - 4 - Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of ₹10/- each fully paid issue each fully paid up. Opening balance Add: Addition / (reduction) Closing balance Add: Current perfit & Loss account Opening balance Add: Current year surplus Less: Transfer to general reserve Less: Proposed dividend Less: Dividend tax provision	8,613.52 13,366.95 21,980.47 180.20 1,617.98 (643.56)	21,980.47 21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20 1,442.56 175.42	As at 31.03.20
Note - 4 - Res	Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issue each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- of ₹10	8,613.52 13,366.95 21,980.47 180.20 1,617.98	21,980.47	As at 31.03.2012 2,040.00 6,573.52 8,613.52 180.20 1,442.56	As at 31.03.20





(₹) in Lakhs

5 Long term Borrowings a Term Loans 1) From Banks (Secured by Hypothecation of Assets) Term Loan Secured against Fixed Deposit Torm Loan Secured by Hypothecation of Machinery 133.33 Vehicle 10.00 11.00 1	() in Lakl
5 Long term Borrowings a Term Loans i) From Banks (Secured by Hypothecation of Assets) Term Loan Secured against Fixed Deposit Term Loan Secured by Hypothecation of Machinery Yehicle iii) From other parties (repayment terms) c Deferred payment liabilities d Deposits e Loans and advances from related parties f Long term maturities of finance lease obligations g other loans and advances - Unsecured NATURE OF SECURITY TERMS OF REFAYMENTS Term loan from Union bank of India amounting to ₹3.97,23,244/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.97,23,244/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.93,001/- (March 31,2011 ₹170479) secured against Fixed Deposi	As at
From Banks (Secured by Hypothecation of Assets) Term Loan Secured against fixed Deposit Term Loan Secured against fixed Deposit Term Loan Secured by Hypothecation of Machinery Vehicle Ui) From other parties (repayment terms—) Deferred payment liabilities Deposits Loans and advances from related parties Loans and advances from related parties Loans and advances from related parties Loans and advances - Unsecured NATURE OF SECURITY TERMS OF REPAYMENTS Term loan from Union bank of India amounting to ₹3.97,23,244/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.37,23,244/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.373001/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹1333001/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.3702,3244/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹1333001/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.3702,244/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.3702,244/4 March 31.2011 ₹17047391 secured against Fixed Deposit Term loan from Union bank of India amounting to ₹3.3702,244/4 March 31.2011 ₹17047391 secured against Fixed Deposit For each head for loan the following disclosure has to be made separately Classify as secured by Hypothecation of India amounting to ₹1333001/4 March 31.2011 ₹17047391 secured against Fixed Deposit For each head for loan the following disclosure has to be made separately Classify as secured by Hypothecation of India amounting to ₹1333001/4 March 31.2011 ₹17047391 secured against Fixed Deposit For each head for loan the following disclosure has to be made separately Classify as secured by Hypothecation of India amounting	ALCOHOL:
Term Loan Secured against Excel Deposit 133.33 17em Loan Secured by Hypothecation of Machinery 133.33 18in From other parties 10.00 19in From other parties 10cpayment terms — 10c Deferred payment liabilities 2 Loans and advances from related parties 2 Loans term maturities of finance lease obligations 3 other loans and advances - Unsecured 11,291.02 11,291.02 12,291.03 133.33 14,291.03 15 Loans and advances - Unsecured 11,291.02 11,291.02 11,291.03 11,	
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Provision for income tax 299.27 Provision for Sales tax	1.4
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	0.7
Provision for ESIC 0.64 TDS Collection & remittance 47.61	20.7
	235.5
Others (Service Tax) 245.72 638.58	586.6





(₹) in Lakhs

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a Pla	ible Assets	THE RESERVE				31.03.211	the Year		31.03.2012		Staty slowings
					0.5						
	nt & Machinery	10.03	1.85		11.88	0.30	0.26		0,56	11.32	9.7
b off	fice Equipments	11,34			11.34	6.72	0.60		7.32	4.03	4.0
c Fur	rniture & Fixtures	522.69	0.55		523.24	11.88	32.05		43.93	479.31	510.
d Ve	hicles	28,97			28.97	1.94	1.27		3.21	25.76	27.0
e Cor	mputers	992.26	784.72		1,776.97	284,02	241.70		525.73	1,251.25	708.
То	tal	1,565.29	787.12		2,352.40	304.86	275.88		580.75	1,771.67	1,260.
Figures fo	or the previous year	(1080.51)	(484.78)	0.00	(1565.29)	(145,41)	(159.45)	0.00	(304.86)	(1260.43)	(935.1
0 - b. Intai	ngible Assets										
a (Co &1	omputer Software IP Rights)	926,14	9,915.61		10,841.75	88.18	237.84		321.02	10,520.73	837.
Figures fo	or the previous year	(97.24)	(828.90)	A TANK	(926.14)	(67.61)	(20.56)		(88.18)	(837.97)	(29.6
Note 11:	Non Current Invest	ment							As 31.03		As at 1.03.2011
	85000 Equity shares Onspec Techologies Long Term Loans &	s Private Lim								8.50 8,50	8,50 8,50
12 Lon a b c d	g term loans and ac Capital Advance Security deposits (U Loans and advance Other loans and ad	Unsecured, C		ood)						152.61 156.30	43.87
									Services I	308.91	43.87
Note 13:	Trade Receivable		Message					in the same			
	de receivables										
a	Trade receivables o		or							397.35	1599.2
	others								2	,928.65	5,940.1
OF THE				TO SEE SE					3,	326.00	7,539.3
ь	Trade receivables										
		ed, considered								326.00	7,539.3
VIII THE REAL PROPERTY.		ured, conside	red good							320.00	
			nder each he	ad							
	Allowance for bad.										
	Allowance for bad	& Gomeran C							3,	326.00	7,539.3
		a doubled to							3,	326.00	7,539.3
c.	Debts due by	or or other o	fficers of the	company					3,	326.00	7,539.3
¢	Debts due by 1 Directo 2 Any of	or or other of	fficers of the	company ally along wi	th any other p s a partner / c	person			3,	326.00	7,539.3





					(₹) in Lakh
Note	14: Cash & Bank Balance			As at 31.03.2012	As at 31.03.2011
14	Cash and Bank Balances			n ka ila isi	SAST - SALE
	a Cash and cash equivalents				
	i Balance with banks				
	In current account			34.21	2,231.86
	in current account for in deposits (having maturity period less than 3 months)				
	ii Cash in hand			100	
	iii Cheques, drafts in hand			1.36	27.42
	b Other Bank Balances:				
	in Deposit account (having maturity period more than 3 months)				
	in Deposit account (having maturity period more than 12 months)				
	in foreign account			12,149.10	Total Parket
	in Fixed deposit & Margin money			436.68	409.17
	c Others (Specify)			8.75	30.56
				12,630.10	2,699.01
Note	15: Short Term Loans & Advances	MANUFACTURE TO STATE OF	A COUNTY OF THE	12,030:10	2,099,01
MALES CONTRACT					
	Short-term loans and advances				
	a Loans and advance to related parties (provide details there of) b Others (Advance to supplier, Unsecured, considered good)				
	C Others (Staffs, Unsecured, considered good)			1,683.36	114.38
	Sales (visitely dissected certainty of good)			ME LINES	
ESOUTE				1,683.36	114.38
Note 1	6: Other Current Assets				
6	Other current assets				
	a VAT tax input credit			32.05	55.22
	Service Tax credit (excess)			221.87	242.88
2000	Interest accrued			39.89	
	1 Income tax refund receivable(Incometax Paid, TDS Receivable & FBT)			307,10	233.79
	Share Issue Expenses Preliminary Expenses			43,32	78.69
	Pre Operative Expenses			0.10	0.16
Sec. of			A SCHOOL STATE	0.13	0.19
- Joseph	A MARKATAN PROPERTY AND A STATE OF THE STATE	STATE OF THE STATE OF		644.46	610.93
THE PERSON NAMED IN	7: Revenue from Operations	As at 31.	03.2012	As at 31.	03.2011
	Revenue from operations		CHO CONTRACT		
	Sale of Products Export Sales				
	Domestic Sales			3,116.02	
	Reimbursement of Vocational Training	2 000 00		CONTRACTOR OF THE PARTY OF THE	3,116.02
	Application Fees	2,000.00 5,505.15		4,152.73 2,277,52	
	Student Registration Fee	1,030.18		24.83	
MIN.	Brand License Access Fee			1,171.35	
	Consultancy service	7.10			7,626.43
			8,542.43		
C	ther operating revenues		Control of the second		
	mer operating resentes		29.33		1,439.76
			8,571.76		12,182,21
	ess;			THE SAME NO	
E	xcise Duty paid				
			8,571.76	THE ACT DO	12,182.21
ote 1	3: Other Income	THE RESIDENCE OF	SE PERMIT		
200000	ther Income			泰斯斯特的	
a	Interest Income	86.77	86.77	24.04	
Ь		00.77	00.77	34.84	34.84
c	Net gain / (loss) on sale of investment		Marie San		
d		1,665.71	Denie C		
	Rent Receipt		200000000		
316-3	Other Income	0.99			
		TO DESCRIPTION OF THE PARTY OF	1,666.70		
PER			No. of the last of	10 mm	THE RESERVE
		*	1753.47	3-3-3	34.84





		(₹) in Lakh
	As at	
Note 19: Employ & Benefit Expense	31.03.2012	31.03.2011
19 Employee Benefit Expense		
Salaries & Wages	606,59	854.91
Gratuity	17.14	4.84
Performance Pay	4.59	3.14
Providend fund & Super annuation fund	11,55	7.87
Bonus	7,27	1.21
Staff Welfare Expenses	0,08	100
	647.22	871.97
Note 20: Administrative, Selling and Distribution Expenses		
20 Administrative, Selling and Distribution Expenses		
Administration expenses		
Rent	73.73	66,46
Advertisement Expenses	296.76	636.37
Electricity & Maintenance	11.90	10.40
Printing and Stationeries	25.30	10.59
Repairs and Maintenance-Building	38.66	3.80
Repair and Maintenance -Others	3.07	35,60
Telephone and Fax Charges	44.07	71.09
Commission to Executive Directors		80.00
Commission to Non Executive Directors		21.53
Postage Telegram & Couriers	3.42	5.48
Travelling and Conveyance	67.22	93.84
Other Administration & Miscellaneous charges	1,999.25	1,128.23
MODES Expenses	648.27	1,245,20
Vehicle Finance Charges	1.19	2.04
Audit Fees		
For Statutory Audit	12.00	6,00
For Tax Audit	5.00	1.00
For other services	23.75	18,00
Internal Audit Fees	1,50	3,00
Consultancy & Legal Charges	52.32	68.80
	3,307.41	3,507.43
Note 21: Financial Expenses		
Financial expenses		
a Interest Expenses	47.72	33.53
b Other borrowing cost	41.75	4.18
c Net Loss / (Gain) on foreign currency transaction		SEE SEE
d Forward cancellation		
e Bank charges	0.86	1,90
	90.33	39.61
Note 22: Miscellaneous Expenses		
Miscellaneous Expenses		
Share Issue Expenses Written Off	35.37	35.37
Bad debts written off	5,449.21	1,915.00
Preliminary Ex[emses Wrottem Off	0.11	0.21
Other Miscellaneous Expenses	0.64	
	5,485.33	1,950.58





23. ADDITIONAL NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- a. As at the Balance Sheet date the Company does not have any dues outstanding to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act and as such no interest is paid or payable or accrued or outstanding during the year to any suppliers who are covered under the Micro, Small and Medium Enterprises Development Act, 2006.
- b. The Company is engaged in the business of Software Development / Services and licensing of Software Products and related services. The production and sale of such software and related services cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and information as required under paragraphs 3, 4C and 4D of Part II to Schedule VI to the Companies Act, 1956.

Employee Benefits:

Gratuity

Amount recognized in the Profit and Loss Account is as under:

Description	Year end 31.3.2012	led (in₹) 31.3.2011
Current Service Cost		
Interest Cost	5,18,614	5,16,216
Actuarial (Gain)/Loss recognized during the year	(2,91,765)	(1,04,011)
Past Service Cost		
TOTAL	3,36,985	4,83,649

Movement in the liability recognized in the Balance Sheet is as under;

Description	Year en	Year ended (in ₹)		
	31.3.2012	31.3.2011		
Present value of defined benefit obligation as at the beginning of the year	13,76,696	8,93,047		
Current Service Cost	3,36,985	4,83,649		
Actuarial (Gain)/Loss recognized during the ear				
Past Service Cost				
Total	17,13,681	13,76,696		

The company has not funded the above amount. The Gratuity is determined for all the employees of the Company on the basis of an independent actuarial valuation. The specific amount of gratuity for Whole Time Directors cannot be ascertained separately and accordingly the same has not been given separately. For determination of the Gratuity liability of the Company, it is assumed at a Discount rate of 8%, rate of increase in compensation levels of 5%, resignation rate per annum 3% and LIC mortality table 1994-96 for valuation.

Contributions made by the Company to Provident Fund during the year is ₹5,70,143/- (Previous Year ₹7,86,889/-)

- The Employment term does not provide for Leave Encashment and hence no provision has been made in the accounts.
- d. Earnings in Foreign Exchange:

in (₹)

	Year I	inded in
	31.3.2012	31.3.2011
Value of Export Income	Nil Nil	31,16,02,000

- e. There is no Expenditure in Foreign Currency during the year (Previous Year Nil).
- The Company is into only one Segment of Software Training and Development and Project Consultancy and the Company operates presently in India and outside India.





Secondary Segmental information - Geographical

	Reve	nue
	2012	2011
India	8542.43	7626.43
Outside India		3116.02
TOTAL	8542.43	10,742.45

g. Earnings per Share - Basic and Diluted Earnings Per Share

	2012	2010
No. of Equity Shares allotted at the beginning of the year	15577242	12006000
No. of Equity Shares application received for preferential allotment	420561	19930
Weighted Average No. of Equity Shares		
For Basic Earnings per Equity Share	21877718	13854893
For Diluted Farnings per Equity Share	6411249	13978136
Profit After Tax	(64356656)	22,254,659
Basic Earnings per Equity Share	-2.94	1,61
Diluted Earnings per Equity Share	-10.04	1.59

h. Related Party Disclosures:

The following are Related Parties where Control exists and where there were transactions.

S.No	. Name	Remarks
1	Mr. S. Giridharan	Director / Managing Director
2	Mrs. G. Gita	Managing Director / Director
3	Vidhyadhana Education Private Limited	Subsidary

Related Party Transactions for the year ended 31st March 2011;

S.No.	Name	Nature of Transaction	Value of Transaction in (₹)		Balance at year end (₹)	
			2011-12	2010-11	2011-12	2010-11
1	Mr. S. Giridharan	Salary	60,00,000/-	1,00,00,000/-		
		PF	9,360/-	9,360/-		
		Dividend		17,69,797/-		
2	Mrs. G. Gita	Salary	42,00,000/-	82,00,000/-		
		PF	9,360/-	9,360/-		
		Dividend		17,69,797/-		
3	Vidhyadhana Education Private Limited	Sales		4,07,80,846/-		4,07,80,846/-
180		Advances (Net)	(71,61,467)	65,65,500/-	4,01,84,879/-	65,65,500/-
		Investment	1,00,000/-		1,00,000/-	1,00,000/-





I. Major components of Deferred Tax assets and liabilities arising on account of timing differences are:

(₹)In Lakhs

2011-12	2010-11
8,53,15,676/-	2,03,00,471/-
5,82,481/-	1,64,392/-
8,58,98,157/-	2,01,36,079/-
	8,53,15,676/- 5,82,481/-

- j. The Company has taken various offices under operating lease agreements. These are generally cancelable and are renewable by mutual consent on mutually agreed terms. Rental Expenses of ₹ 69,60,495/- (Previous Year ₹ 61,99,396/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account.
- k. There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as on 31st March 2012 (Previous Year Nil).
 - Confirmations of Balance from Sundry Debtors, Deposit accounts, Loans and Advances, Certain Creditors have not been obtained. Accounts of certain sundry debtors, loans and advances, deposits and creditors are under review and reconciliation. Adjustments, if any will be made on completion of review/reconciliation/identification of doubtful debts/advances.
- m. The Company has initiated the process of review of impairment of assets in the respect of the tangible, intangible and other current assets their results in such impairment is awaited, The financial implication if any on the above will be provide appropriately at later stage.
 - The Company has been subjected to survey by Income Tax Department during the year. The amounts of demand from the Income Tax Department for the preceding years are before appellate authority. Further notices were issued by the assessing officer for reassessment of earlier years. The assessment proceedings are in various stages and are yet to be completed. The company is confident the matter shall be decided later and financial implications on above cannot be ascertained as on date, Hence no provision is made for such matters in the books.
 - The Financial statements for the year ended March, 31 2011 had been prepared as per the then applicable, Pre-revised Schedule VI to the companies act 1956. Consequent to the notification of Revised Schedule VI under the Companies Act 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement of principles followed for preparation of financial statements.

As Per Our Report of Event Date

For RAJ AND RAVI Chartered Accountants

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O.

V. RAJ Partner Membership No. 23211 Firm Registration No. 010935 S

Place: Chennai Date: 30.05.2012 For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary



