

FORM A
Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchange(s)

1	Name of the Company	MT Educare Limited
2	Annual Financial Statement for the year ended	31st March, 2015
3	Type of Audit Observation	Un-Qualified / Matter of Emphasis
4	Frequency of Observation	Whether appeared first time.... / Repetitive...../ since how long - Not Applicable
5	To be signed by: <ul style="list-style-type: none"> • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	     

Annual Report
2014-15



**Shaping
with Care**

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Corporate Information

BOARD OF DIRECTORS

Mr. Mahesh R. Shetty

Chairman and Managing Director

Mr. Naarayanan Iyer

Non Independent, Non Executive Director

Dr. Chhaya Shastri

Non Independent, Non Executive Director

Ms. Drushti Desai

Independent, Non Executive Director

Mr. Yatin Samant

Independent, Non Executive Director

Mr. Uday Lajmi

Independent, Non Executive Director

BOARD COMMITTEES

Audit Committee

Ms. Drushti Desai (Chairperson)

Mr. Uday Lajmi

Dr. Chhaya Shastri

Remuneration and Nomination Committee

Mr. Uday Lajmi (Chairman)

Mr. Yatin Samant

Ms. Drushti Desai

Stakeholders Relationship Committee

Mr. Yatin Samant (Chairman)

Ms. Drushti Desai

Dr. Chhaya Shastri

Corporate Social Responsibility Committee

Mr. Uday Lajmi (Chairman)

Mr. Mahesh Shetty

Dr. Chhaya Shastri

Company Secretary & Compliance Officer

Mr. Ashwin M. Patel

BANKERS

IndusInd Bank Ltd

ICICI Bank Ltd

Axis Bank Limited

STATUTORY AUDITORS

Shaparia Mehta & Associates LLP

Chartered Accountants

1/74, Krishna Kunj, R. A. Kidwai Road,

King's Circle, Matunga (C. Rly)

Mumbai - 400 019.

INTERNAL AUDITORS

Mukund N. Chitale & Co.

Chartered Accountants

2nd floor, Kapur House,

Paranjape B Scheme Road No. 1

Near Vile Parle, Mahila Sangha, Vile Parle (East),

Mumbai - 400057.

REGISTERED OFFICE

MT Educare Limited

(CIN:L80903MH2006PLC163888)

220, 2nd Floor, "FLYING COLORS"

Pandit Din Dayal Upadhyay Marg,

L.B.S Cross Road, Mulund (West),

Mumbai - 400080.

Tel: (+91 22) 2593 7700 / 800 / 900

Fax: (+91 22) 2593 7799

Email : info@mteducare.com

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited

C-13, Pannalal Silk Mill Compound,

L.B.S Marg, Bhandup (West),

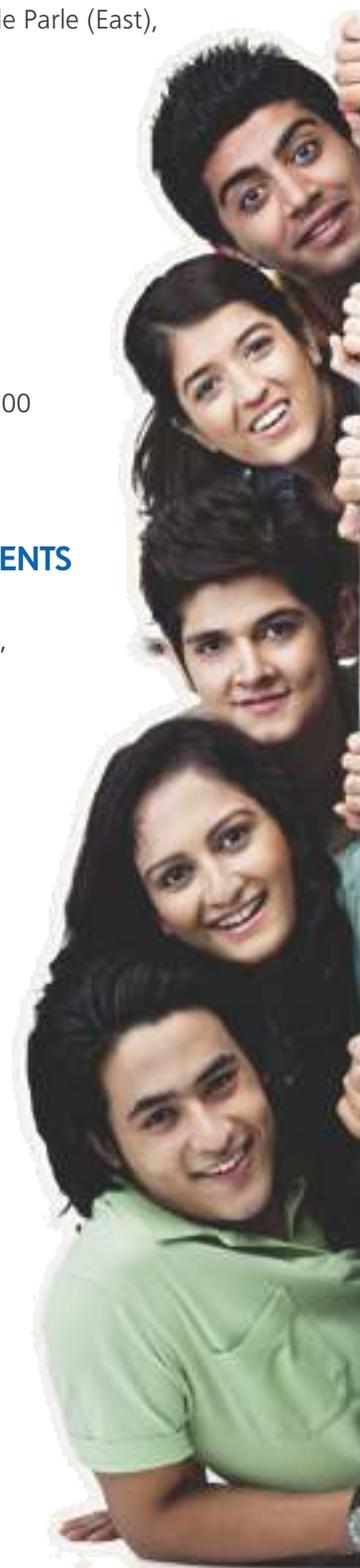
Mumbai - 400 078.

Tel: (91 22) 2596 0320

Fax: (91 22) 2596 0329

Investor Grievance Email:

mtel.ipo@linkintime.co.in



*“Guru Kumhar Shishya Kumbh Hai,
Garhi Garhi Kadhe Khot.
Antar Haath Sahar De, Baahar Mare Chot.”*

– Kabir

With student being the pot, teacher-the potter-removes anomalies with great intricate details. While applying force from outside, teacher's other hand always supports the student from inside.



“Rigorous practice sessions, tests and assessments prepared me to score my best”

-NIKHIL, JEE MAIN'15 - 311/360

Shaping with Care

Having emerged as the world's fastest growing major economy, India is on course to become world's youngest country by the year 2020. With 604 million Indians, almost one half of the country's population aged less than 25 years, the onus on education industry is huge. In line with the economic growth aspirations of 1.21 billion people, the present day government is rightly qualifying skill development in our growth propellant trio of "Speed, Scale and Skill".



The responsibility on today's educators is not just limited to impart academic or professional education but also to shape the inner virtues of resilience, ingenuity and a progressive outlook. For today's urban parents' time pressures leaves much more on teachers and tomorrow's world that these students would step into would be far more competitive, far more global and far more digital than what it stands today.

It is hence that the students' needs are much bigger than the academic theoretical knowledge. As a leading education service provider, we at MT Educare are making 'CARE' central to all the educational services that we provide. We care to ignite their appetite not only for learning but also exploration. We care to prepare them score high in not only their examination but also in life. We care to shape them not only as students but also a responsible citizen of this country.

We strive to assist students in pursuing their larger career objectives. In imparting our duties, we deploy holistic care across all aspects of our business – from content enhancement to training our teachers to technology-enabled experiential pedagogy to counseling to parent-teacher-student collaborations. At MT Educare, we are shaping our country's future with CARE.

"Robomate - recorded lectures of our classroom teachers was a great support as we could revise anytime, anywhere"
- Arshdeep, JEE MAIN'15 - 310/360



Shaping Future Citizens. With Care!

Education plays a crucial role in development of a country. As a result, it becomes important in inculcating basic foundation in students to enhance their performance during the exam. In addition, it is also important that student remain stress free during the exam period. Understanding both this critical aspect, we have focused towards quality study materials and upgrading it at regular intervals. For keeping student stress free during the exam and towards enhancing their grades, we are increasing our focus on assessments with exhaustive test series and mock board exams thereby making them prepare for exam in a planned manner.

However the above factor alone cannot bring out the best in a student, it needs a good faculty support. A student's understanding of the subject gets influenced drastically by the method in which subject is taught. Hence, until and unless teaching methodology is not streamlined one cannot expect success. A unique teaching methodology used by us encourages student towards enhancing their self-learning capabilities.

In addition to the above, we have developed digital content after exhaustive discussion with experts and have presented them through innovative products to our students. We have used technology to customize data access by using internet on multiple application namely smart phone, tablets, desktop, and laptop. At the same time, we have integrated communication amongst students, parents and faculty through technology where test performances are made accessible to student and their parents in real time. Teacher or Faculty also access students work virtually and gauge its performance.

Amongst the few prominent solutions, 'Learning Management System' is a flipped classroom teaching methodology which ensures good comprehension, better memorizing and clear application concepts. The students learn through recorded lectures of modules on tablet as per the timetable and answers MCQ's at their home. The teacher takes up the same topic in class and resolves students queries if any, thus ensuring a higher level of interaction and knowledge flow. At the end of each

class, students attempt MCQ's which results in better memorizing. All student activities and performances are monitored by teachers on the Learning Management System, enabling a more personalized learning. Parents too are updated about the progress of their child on regular basis.

We have also developed a unique product "Robomate". "Robomate" facilitates student to access digital content related to their syllabus. It also has a test series which a student can attempt to and enhance their score. The entire content in digital form gets developed in-house by our expert faculties. We have launched Robomate for CA (CPT, IPCC, and Final), school (Maharashtra State Board, ICSE & CBSE), XI & XII Science and Commerce, JEE & MBA test preparation segments. The material is offered both subject-wise as well as for the complete course based on our students needs.

Also during the exam time we are available to our students 24 x 7 for any support needed in terms of resolving any queries they have through our 24 hour helpline "Hum Se Poocho". Along with the above, we also provide personalized attention by way of regular parent teacher meetings and day-to-day assistance for our students.



"Lakshya has been a second home to me. Teachers are very supportive and encouraging. They helped me realise my capabilities and boost my self confidence. I always got the personal attention. With their essential academic and mental guidance, I was able to clear NTSE, KVPY, Maths Olympiad and Chemistry Olympiad".

Himanshu Gupta: JEE Advanced AIR 7

“A unique teaching methodology used by us encourages student towards enhancing their self-learning capabilities.”



Career Counseling

We have also started career counseling for the benefit of students through seminars and exhibitions. We believe in conducting counseling sessions to facilitate communication between the teachers, students and parents on the students' requirements. Apart from education, we believe in symphony through a mix of music, yoga and diet controlling techniques to reduce stress, enhance memory and improve communication skills.

These two years honed my talent and dedication to a unbelievable extent.. there were times when I felt low.. felt depressed but thanks to this great institution, those fabulous teachers I always came up with flying colours.. thanks to the entire MT faculty for making this journey easier n a memorable one..

- Abdul Kadir K. - 97.80% - SSC 2015



Shaping Stakeholders' Value. With Care!

Flowers bloom when the gardener, with the right knowledge, gives necessary inputs. Hence a lot depends on the skills of the trainer in making our students realize their true potential and prosper on the career path.

Cognizant of the fact we follow a very stringent process of recruiting our teachers' workforce. Also we have a culture of sharing information and discussion on methods of training based on their observations. We also have systems in place with which the teachers continuously upgrade their knowledge, remain abreast of the new syllabus and also on the technology driven teaching methodology.

Each society has a weaker section with untapped potential. India too has a huge section of children and youth who desire to be educated. These talents face challenges due to economic factor or lack of support from their existing school due to resource crunch. The responsibility of upgrading the weaker section lies not only with the government alone. Though the government has been continuously allocating higher sanctions in their education budgets, they require partnerships with private players in the implementation of the same.



Our Human Resources

Without having good man power it is impossible for any company to sustain and function efficiently. The company has total headcount of more than 2,500 including 1,200 faculty members having a strong background in academics and administration. Emphasizing on plight of the student, it was equally important for the teachers to integrate technology for teaching. The method of education delivery has not changed in last many decades and there has been less innovation in that field.

The company is upgrading its teachers, so that they further imparts the knowledge to students. The introduction of technology at junior classes would benefit students and also boost teacher's capabilities. The use of technology in the syllabus and new methods of teaching will help students and teachers saving their time.

2,500+ Staff & Faculty

The company has total headcount of more than 2,500 including 1,200 as faculty members having a strong background in academics and administration.



CSR

Underprivileged section persists in each economy. There is responsibility of upgrading the under privileged section which lies with the government. The government has initiated several policies towards increasing the literacy level of all section and had allocated to spend ₹ 81,075.26 crore in absolute terms in 2014-15 towards education.

MT Educare is qualified by Government to implement projects towards education.

We have been assisting government by providing affordable coaching for competitive exams like Engineering, Medical, CA etc. to certain weaker section of the society. We have also responded to the concern of the government run BMC schools where performance of the students in board exam was falling drastically and took responsibility to prepare 14,000 students of Standard IX and 9,200 students of Standard X in 130 BMC schools for their school and SSC board exams respectively. Robomate was installed in 54 BMC schools having audiovisual facility. Virtual lectures by our expert faculties were also conducted during vacation / before examination through VSAT, which were relayed in all BMC Schools.

The passing percentage of students coached for 2014-15 stood at 75% as compared to 58% in 2011-12. 26 students scored 90% and above, which was a record in itself. 168 students scored between 80% and 90% and more than 500 students scored between 65% and 75%.

Our CSR activities include empowering the lesser privileged section of the community through education, healthcare, nutrition, vocational training. We also assist NGO's towards making a positive difference in the lives of thousands of underprivileged children and tribal communities.



The World of MT Educare

MT Educare is engaged in the business of providing education support and coaching services under the brand name "Mahesh Tutorials". It has its presence in 128 locations across 7 states and union territories of India.

The company operates under three main business verticals - School, Science and Commerce. It also conducts coaching for competitive exams which include Engineering and Medical entrance exam preparation, IIT test preparation, MBA entrance test preparation as well as coaching for CA exams.

It has a strong base of more than 1200 faculty. MT Educare leverages on result oriented quality coaching with technology based classrooms and digitized content.



"CPLC's faculties are some of the best I've ever come across. They go in a systematic way to explain each concept and for solving problems they would not just show multiple methods but explain how one should approach a question. I think this was the most important part for cracking any exam"
- Hargun Chadha, Calls from ISB & IIM, CAT 2013

VISION



GREAT – Global Reach in Education and Training

MISSION

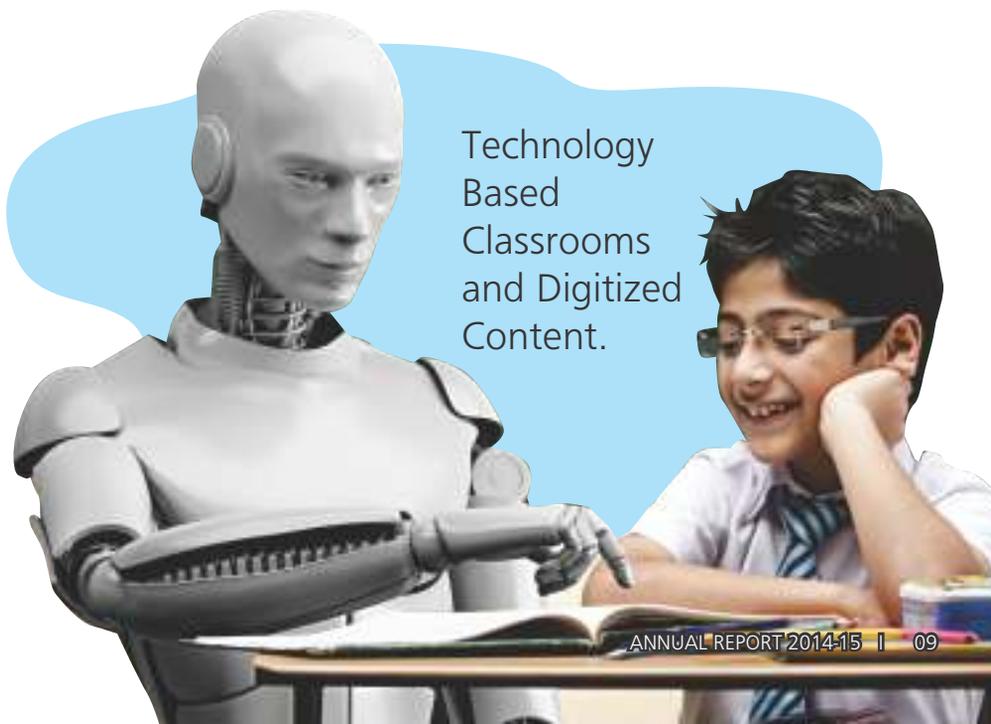


To emerge as the premier holistic and accessible education provider that helps students from all walks of life empower their mental faculties through building a strong and resilient foundation.

SEGMENTS

MT EDUCARE

School Section	Science Section	Commerce Section	Others
<ul style="list-style-type: none"> ■ IXth and Xth standard ■ Maharashtra, Gujarat, Karnataka State Board ■ CBSE ■ ICSE 	<ul style="list-style-type: none"> ■ XIth and XIIth standard ■ Test prep for the engineering and medical entrance examinations (JEE Mains and JEE Advanced, MH-CET, AIIMS, AIPMT) 	<ul style="list-style-type: none"> ■ XIth and XIIth standard ■ CA-IPCC , CA Final, CA-CPT ■ Coaching for MBA Entrance i.e. CAT, CMAT 	<ul style="list-style-type: none"> ■ Government Programmes ■ Sale of Content under 'Robomate' brand



Technology Based Classrooms and Digitized Content.

GROWTH STRATEGY

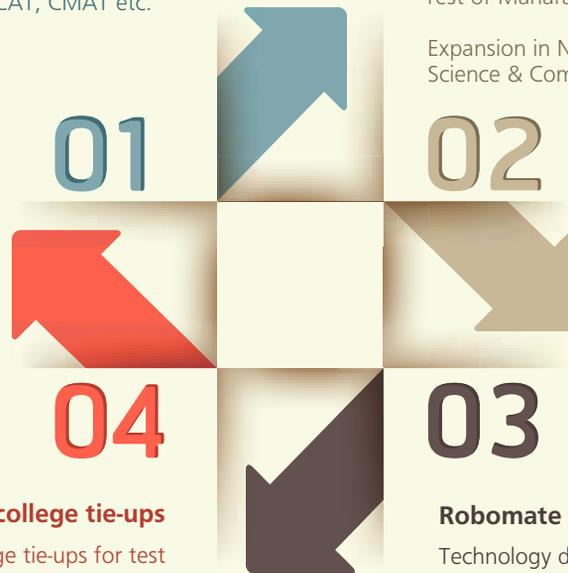
Focus on National Level Exams

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

Geographical & Vertical Risk Management

Concentration on geographical future growth in rest of Maharashtra for School section

Expansion in North India and Karnataka for Science & Commerce



Asset light college tie-ups

Entry and expansion with college tie-ups for test prep in college campuses

Asset light with lower infrastructure spend

Robomate

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

ACADEMIC HIGHLIGHTS

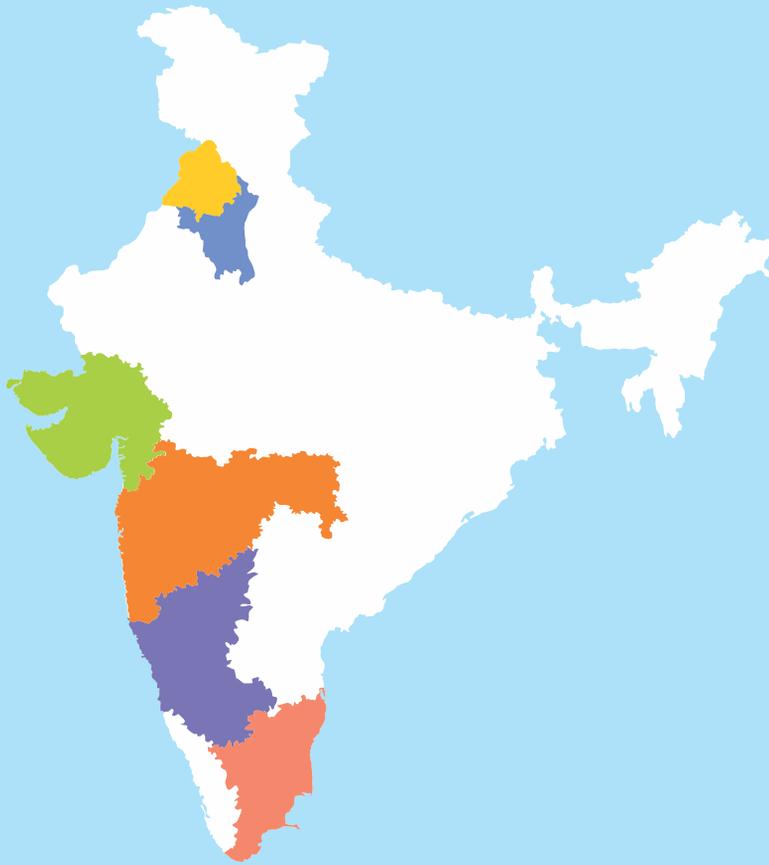
- 82,110 students serviced in FY15
- SSC – 2230 students scoring 90% aggregate and above
- XII Commerce – 123 students scoring 90% aggregate and above
- 7th All India Rank in JEE Advanced and 4th All India Rank in AIPMT
- XII Science – 55 students scoring 90% aggregate and above
- CA – IPCC – 7 Ranks in Top 50 in 2014
- CA – Final – 9 Ranks in Top 50 in 2014
- MBA Entrance – 2363 top B-School calls till now
- Technology aided teaching (TAT) and Robomate enhanced the learning experience of students across all verticals

Right from the first day, I felt comfortable and enjoyed stress-free learning. I thank my teachers for their support and guidance while preparing for KVPY, Olympiads and PMT's. All the doubts were cleared by the teachers which helped make my concept clear.

Oshin Bhatia: AIIMS AIR 4



GEOGRAPHICAL PRESENCE



- Maharashtra (102)
- Karnataka (16)
- Tamil Nadu (2)
- Gujarat (2)
- Punjab & Chandigarh (5)
- Haryana (1)

NO. OF LOCATIONS OVER THE YEARS

FY	No. of Locations
FY 15	128
FY 14	136
FY 13	122
FY 12	114
FY 11	103

MILESTONES

1988

First Branch of MT Setup

2001

Introduction of Science Coaching for XI and XII

2003

Introduction of Commerce Coaching for XI and XII

2007

PE Investment of USD 8 mn by Helix Investment Company for expansion

2009

Introduction of Technology Aided Teaching (TAT)

2011

Acquisition of 51% stake in Chitale's Personalized Learning Pvt. Ltd.

2012

Listing in April 2012;
Acquisition of 51% stake in Lakshya Forum for Competitions Pvt. Ltd. in Nov. 2012

2013

Inauguration of Mahesh PU College at Mangalore

2014

Tie-up with Sri Gayatri Educational Society in Telangana and A.P.

2015

Flipped Classroom and Learning Management Systems (LMS) Launch

Acquisition of 'Lakshya' completed

Highlights

Operational Highlights

- 'Robomate' for the school section got developed in-house
- 'Advanced Robomate' digitized complete content for XI, XII and JEE
- Foundation courses VIII-X were launched in Mumbai
- PU (Pre University) Campus at Mangalore with student capacity of 3000 and hostel capacity of 900 students got completed
- Phase II of Mangalore PU campus became operational with enrolment of 550+ students
- The sale and lease back of Mangalore PU Campus got concluded. MT Educare holds operating and management rights to the premises
- Added 4 more PU colleges, taking the total to 18 tie-ups
- Partnered Sri Gayatri Educational Society for proving teacher training, study material, technology-aided teaching methods and development of digital content on the lines of 'Robomate'

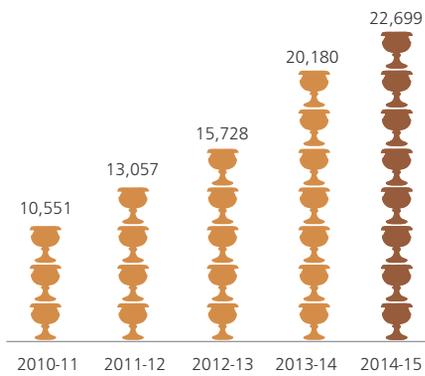
Key Figures (Consolidated)

(₹ in Lacs)

Particulars	2014 - 2015	2013-14	2012-13	2011-12	2010-11
OPERATING RESULTS					
Total Operating Income	22,698.54	20,180.27	15,728.14	13,057.35	10,551.04
EBITDA	4,658.64	4,234.83	2,932.74	2,310.39	1,901.63
EBITDA Margins (%)	20.52	21.00	18.60	17.70	18.00
Profit Before Tax	4,073.61	3,189.23	2,538.52	1,920.72	1,282.22
PBT Margin (%)	17.95	15.80	16.10	14.70	12.20
Profit After Tax	2,972.47	2,103.28	1,804.67	1,323.19	811.52
PAT Margins (%)	13.10	10.40	11.50	10.10	7.70
Dividend Payout (Inclusive of dividend distribution tax)	1,267.11	1,047.41	925.06	206.84	163.51
Retained Profit	1,705.36	1,055.87	879.61	1,116.35	648.01
FINANCIAL POSITION					
Paid up Capital	3,979.41	3,978.22	3,954.79	3,517.29	3,435.10
Reserves	8,593.77	7,217.52	6,159.60	2,194.55	1,325.67
Shareholders' Funds	12,573.18	11,195.74	10,114.39	5,711.84	4,760.77
Short-term Investments (Liquid)	12.70	1,127.99	1,531.25	1,068.34	2,270.30
Cash & Cash Equivalents	1,427.99	979.94	2,419.78	1,762.26	2,065.12
Capital Employed (Excluding cash and current investments)	11,132.49	9,087.81	6,163.36	2,881.24	425.35
PERFORMANCE INDICATORS					
Earnings Per Share (₹)	7.47	5.29	4.55	3.76	2.36
Dividend Per Share (₹)	2.65	2.25	2.00	0.45	0.40
Book Value per Equity Share (₹)	31.60	28.14	25.58	16.24	13.86
Total Number of Students Serviced	82,110	80,829	70,828	68,017	58,300
Students Serviced Under School Section (Nos.)	34,431	34,841	33,224	31,774	29,227
Students Serviced Under Science Section (Nos.)	22,461	18,595	13,511	14,524	11,527
Students Serviced Under Commerce (Nos.)	23,668	27,393	24,093	21,719	17,546
Students Serviced Under (UVA) Skill Development (Nos.)	1,550	-	-	-	-
Pan India Footprints (No. of locations)	128	136	122	114	103

Key Performance Indicators

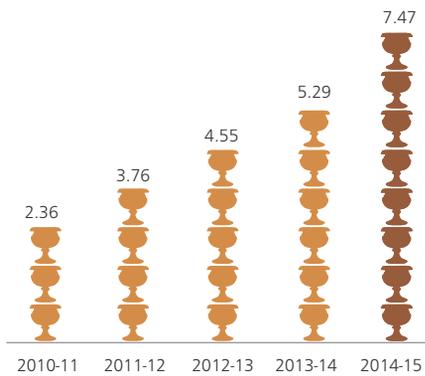
Operating Revenue (₹ Lac)



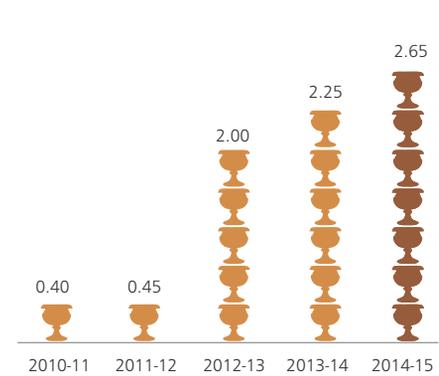
EBITDA (₹ Lac) & EBITDA Margin (%)



Earnings Per Share (₹)



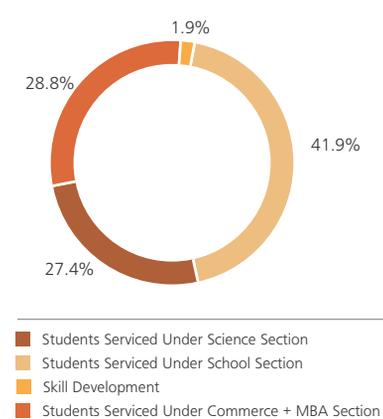
Dividend Per Share (₹)



Number of Students Served



Stream Wise Student Spilt



Chairman's Message



Dear Shareholders,

A new economic order is shaping up world with a structural shift towards service and capital intensive manufacturing. Young, highly skilled and qualified workforce will be on high demand in the new global structure. I am confident that India armed with its large young population will be at the forefront in fulfilling the future requirement of highly competent people. I take pride of the fact that; we at MT Educare are contributing to the greater cause of building up a future workforce by shaping up the career objectives of thousands of students.

Keeping pace with the changing time, we have made concerted efforts to build technology enabled learning models. During this year also, we steadily went ahead with our initiative to further digitizing the learning model by bringing more products under the umbrella of 'Robomate'. I feel happy to share with you that we have completed the content digitization for all our major service offerings. In order to increase the reach of Robomate, we are now building an extensive marketing & distribution network across India.

We are now ready to launch our new initiative 'Learning Management System' (LMS) in the academic session of 2015-16. LMS is enabled via free tablet offered to our students. LMS shall be fully implemented across major verticals by the year 2016-17. I am confident that our new initiative will enable our students to score their best with this unique and effective way of learning and very soon our LMS will

“ We are now ready to launch our new initiative 'Learning Management System' (LMS) in the academic session of 2015-16. LMS is enabled via free tablet offered to our students. LMS shall be fully implemented across major verticals by the year 2016-17.”



contribute in revolutionizing the entire education sector in the country with help of technology enabled solutions.

The asset light Pre-University model in Karnataka is a crucial growth avenue for us in the Science division. In line with our growth strategy, we further strengthened our position in this segment by adding up four more colleges to take the total number of tie-ups to 18 as of date. Another important milestone this year has been selling the Mangalore campus and leasing it back to reinforce our asset light business model. The lease back provides us with the operating and management rights in the premises for a period of 15 years.

We recorded steady growth in our top line driven by the growth in average realization per student during the year. Our consolidated revenues grew by 12.5% to Rs.227 Cr in FY15 from Rs.202 Cr in the last year. EBITDA increased by 10% to Rs.47 Cr in FY15 from Rs.42 Cr in FY14. Adjusted Profit after Tax grew by 23% to Rs.26 Cr against Rs.21 Cr in the last year. PAT margin improved by 100 basis points in FY15.

In line with our 50% dividend payout policy of, Board recommended a final dividend of Rs.2.05 per equity share, resulting in a total payout of Rs.9.80 Cr (including dividend distribution tax). This along with the interim dividend paid in December 2014 takes the total dividend payout to Rs.2.65 per equity share in FY15.

I take this opportunity to thank you all for your continued trust and support.

Warm Regards,

Mahesh R. Shetty
Chairman and Managing Director



Our Process Creates Winners

“ Teachers + Technology = Toppers ”

OUR STAR PERFORMERS OF SSC



**WE SCORED
OUR HIGHEST
BECAUSE OF
OUR TEACHERS
& ROBOMATE**

2230 STUDENTS ABOVE 90%

OUR SUBJECT TOPPERS

MATHS 100	SCIENCE 100	SANSKRIT 100	SOCIAL SCIENCE 99
MARATHI 95	ENGLISH 95	BIOS 94	

OUR ICSE TOPPERS



137 Students Scored **90% agg.** and above

SUBJECT TOPPERS

MATHS	COMM. STUDIES	ECONOMICS	HCS	HINDI	ITS	SCIENCE	MARATHI	ENGLISH
100	100	99	99	99	97	97	96	95

OUR CBSE TOPPERS STUDENTS SCORING 10/10 CGPA



“ Teachers + Technology = Toppers ”

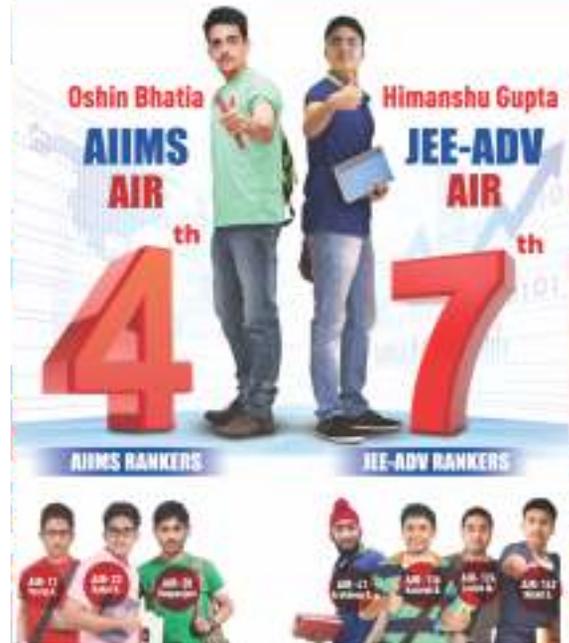
XII - SCIENCE TOPPERS 2015



MATHS - 100 | PHYSICS - 100 | CHEMISTRY - 98 | BIOLOGY - 98

55 Students Scored 90% agg. and above

JEE-ADVANCED & AIIMS
BOTH THE RANKERS AMONGST TOP 10 AIR ARE ONLY WITH US



XII - COMMERCE TOPPERS 2015

123 HIGHEST NUMBER OFF STUDENTS SCORING 90% AGG. AND ABOVE IN THE STATE



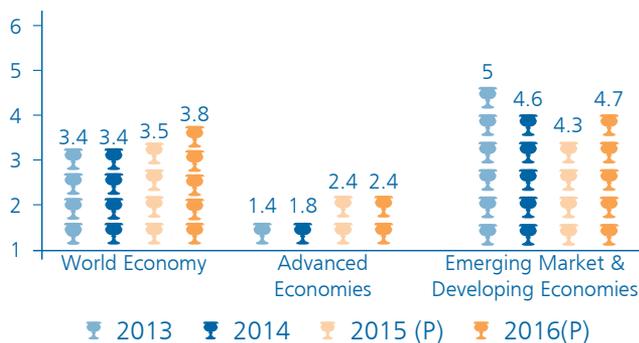
OUR MAHARASHTRA TOPPER
JAY GANDHI
94.82%

Management Discussion & Analysis

ECONOMIC OVERVIEW

The global economy grew by 3.4% in 2014 as per the World Economic Outlook Report by IMF released in April, 2015. Weak economic activities along with soft commodity price kept the inflation at a low level in advanced economies. Emerging economies grew at a slower rate of 4.6% in 2014. IMF predicts a subdued global economic growth in 2015. Growth in the advanced economies will primarily be led by USA and UK and will be supported by recovery in Euro Area in 2015. In the Emerging and Developing economies the growth in 2015 will be primarily driven by India and ASEAN economies.

Global GDP growth (in %)

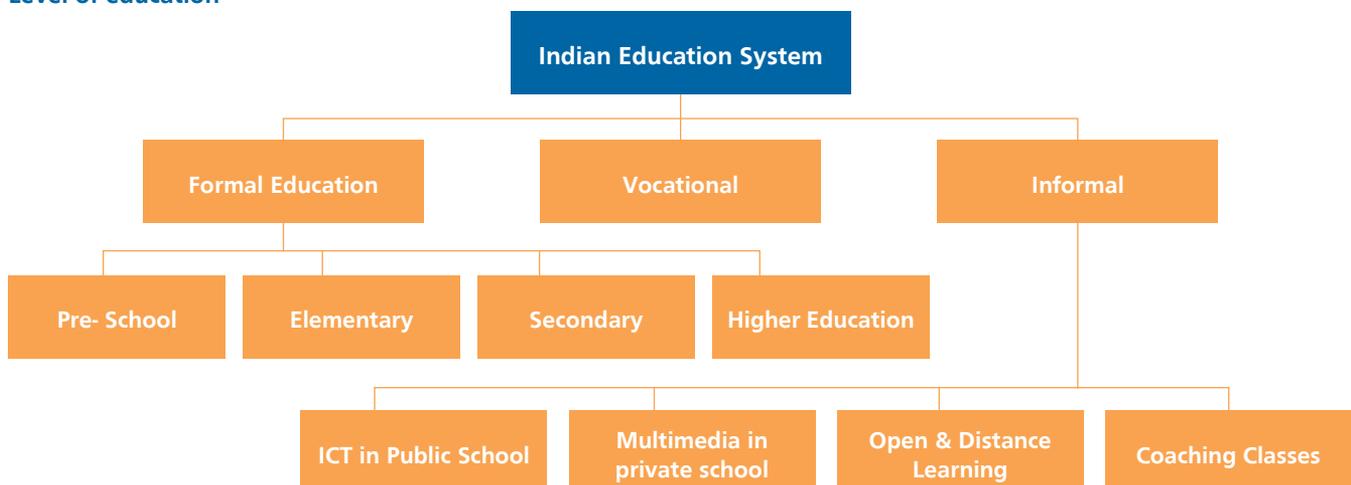


(Source: IMF's World Economic Outlook Update, April 2015)

INDIA ECONOMY OVERVIEW

India economy grew 7.3% in FY15 compared to 6.9% in previous year as per CSO's new method of calculation taking 2011-12 as the base. Soft commodity price globally helped

Level of education



cooling down inflation with WPI reaching at -2.33% at the end of the year well under Reserve Bank of India's targets. Repo rate was cut down thrice in equal trenches by 25 basis points each by the Central Bank between January to June in CY 2015.

The portend of economy appears to be more positive with increasing investment in infrastructure segment, enhancing FDI limits in certain sectors and increasing ease of doing business.

India GDP Growth (in %)



(Source: CSO)

EDUCATION SECTOR

Education System in India

Education falls in the Concurrent List of the Constitution of India i.e. both the centre and the states have the authority to legislate on it. At the centre, the Ministry of Human Resource Development ("MHRD") is the nodal ministry for education.

The formal education can be segmented as Pre School, Elementary Education, Secondary Education and Higher Education.

Population Split by Age Groups

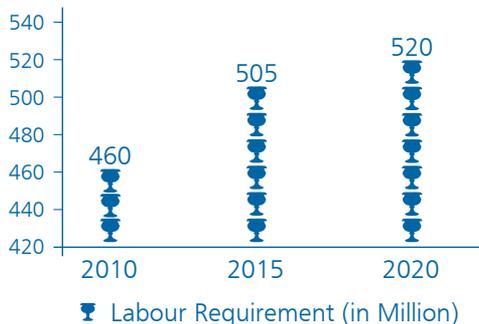
Age Group	Population (in millions)	Corresponding level of Education
6-10 years	131	Primary (I-V)
11-13 years	75	Upper Primary (VI-VIII)
14-15 years	50	Secondary (IX-X)
16-17 years	45	Sr. Secondary (XI-XII)
18-23 years	141	Higher Education
Total	442	

(Source: Population projection of Ministry of Human Resource & Development)

DEMAND AND SUPPLY OF WORKFORCE AND ROLE OF EDUCATION

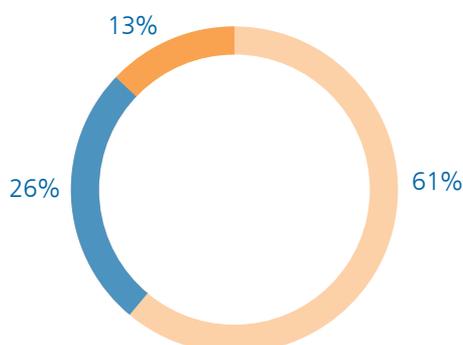
The global economy is going through structural transformation, increasingly inclined to the service and capital intensive manufacturing sectors. This will require a workforce of 3.3 billion by 2020 as per EY Report on Higher Education. India will also witness the same phenomena as around 90% of its GDP and 75% of its employment will be generated from the service and the manufacturing sectors. This structural shift in employment will increase demand for high skilled workers, innovators, and thinkers who can thrive in a globally-connected and dynamic economy.

Labour Requirement in India



(Source: EY Report on Higher Education)

Education wise labour Requirement by 2020



■ Primary ■ Secondary ■ Higher Education

(Source: EY Report on Higher Education)

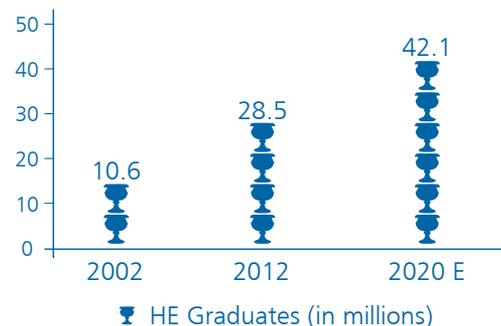
India is well-positioned to cater to the changing requirements of the labour market in domestic and international markets due to favorable demographics. India has nearly 450 million people in the age group of 6-23 years who are expected to join the global workforce over the next 10 years. This will be at the time when a large part of the world will face the hurdle of aging population constraining labour supply for the global market.

While large number of young population is an advantage for the nation, the challenge lies in imparting them with the required education and skill set to equip them for the future domestic as well as global demand. The task appears to be challenging given the poor state of elementary and higher education in India. Despite being the third largest education system globally with a network of more than 1 million schools and 18,000 Higher Education Institutes (HEIs), the present education infrastructure in India is far below the global standard. The secondary and higher secondary level education is marred with issues such as high dropout rates, poor infrastructure quality in many schools with very high teacher to student ratio. Very few globally recognized Indian HEIs is concerning for the higher education level.

In a future knowledge and skill driven global economy, the demand for highly skilled people is expected to increase around the world. In India also, there is an urgent requirement for a highly skilled and innovative workforce to cater to the rising need for labour in manufacturing and services as well as to cater to multinational enterprises.

To realize India's demographic dividend, there is a need for the creation of a globally relevant and competitive HE system that can produce higher numbers of competent graduates. At present, India's Gross Enrollment Ratio (GER) is 15% in higher education which is much lower than the world average of 23%. The aim is to increase the GER to 21% by the end of the 12th Plan and 30% by 2020. The number of unaided higher education institutions is on the rise, and currently almost 65% of higher educational institutions are in the private sector. Private sector educational institutions have improved access to higher education and accommodate more than 50% share in students' enrolment.

Higher Education Enrollment in India



(Source: E&Y Report on Higher Education)

GOVERNMENT SUPPORT

Taking cognizance of the fact, the government has increased investment in education sector considerably. In the 12th five

year plan, the budgetary support for the education sector has been increased by 155% to ₹ 4.54 Cr from ₹ 1.77 Cr in the 11th five year plan.

The new government has given more importance to higher education. In the Union Budget for 2015-16, the government marginally reduced overall allocations towards education however increased the planned higher education budget by nearly 22%.

It was proposed to invest around ₹ 69,000 cr for education in 2015-16, as against ₹ 70,505 cr in the revised estimate in 2014-15. Of the total outlay for 2015-16, ₹ 42,219 cr was pegged for the schools sector and ₹ 26,855 cr for higher education. Keeping the government’s focus on higher education, the finance minister announced more institutes of excellence— including two Indian Institutes of Management (IIMs) and two Indian Institutes of Technology (IITs).

Some of the major initiatives taken by the Government of India in 2014-15 are:

- The Government has drawn up an ambitious roadmap to enhance skill levels of millions of people. The plans involve integrating skill enhancement and entrepreneurship in the syllabus at the school level which includes setting up of 2,500 multi-skilling institutions in the public-private partnership (PPP) mode and setting up institutes of entrepreneurship development in various centres including upcoming smart cities among others.
- The Government plans to open a first-of-its-kind national vocational university that will subsume all Industrial Training Institutes (ITIs), a move to improve standards and bring uniformity among the schools that supply workers to the manufacturing sector.
- The Central Government has taken skill development initiatives through National Minorities Development & Finance Corporation (NMDFC) etc.

In addition, Government of India restructured its teacher training system, doubling its duration to two years and mandating a six-month internship as part of it, in an effort to improve the quality of teachers and, by extension, education.

COACHING SECTOR

The coaching sector in India is deeply fragmented because of the presence of different players at every scale. Due to low entry barrier, large number of tuition centers has sprung up across metro and small cities. The sector has evolved from a small classroom with few students into sizable classrooms with higher number of students where supplementary education is imparted through state-of-the-art hi-tech classrooms.

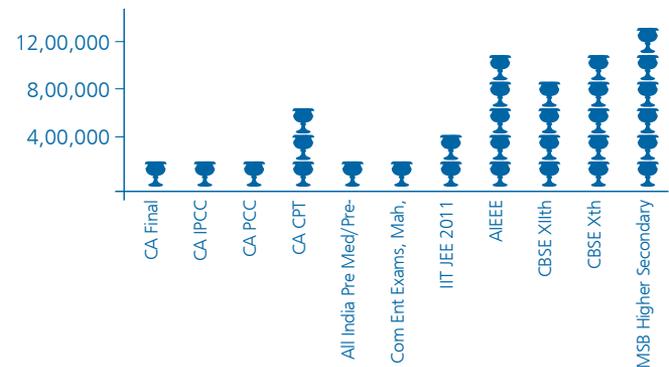
According to CRISIL estimates, the Indian coaching industry is expected to clock 17% CAGR (over FY2011-15E) from ₹ 40,187 cr to ₹ 75,629 cr. This growth would primarily be driven by rising disposable incomes, increasing household spend on education, infrastructural bottlenecks for formal education and also higher private sector participation.

Classroom Coaching Industry is segmented into subject based tutorial and Entrance exam preparation.

Subject based tutorial Industry involves coaching for students from grade 5 to grade 12, who supplement their formal education along with coaching classes for various subjects.

Entrance test Preparation Industry on the other hand involves coaching for various entrance examinations like IITJEE, AIEEE, AIPMT and CA exam levels. This preparation is very process driven and involves engaging students with proper study materials. A large number of aspirants for medical, engineering and management and other professional courses are the growth factor for this segment.

No. of Students appearing in various examinations



(Source: Websites of JEE, IIT Delhi, AIEEE, MHRD, Annual report of ICAI, Maharashtra Directorate Of Medical Education and Research)

OPERATIONAL REVIEW

During the year, Robomate was distributed to and used by students during the year across all verticals. This has enhanced students’ academic growth and the results were seen in their examination results.

School Division

During the year, the company focused on developing the CBSE & ICSE business verticals as a pillar of strength to enable rapid scalability of operations in the school segment across various states in India.

The number of student serviced under school segment was 34,431 in FY15 compared to 34,841 in FY14.

The decrease is due to more and more schools converting from State Board (SSC) to CBSE / ICSE board. The reduction of count in SSC was compensated by increase of count In CBSE / ICSE.

Science Division

IIT coaching business in Mumbai branded under ‘Lakshya’ is growing well and is gaining good traction. The number of student serviced in the IIT business increased by 158% from 819 in FY14 to 2,111 in FY15.

The Karnataka PU College Tie-up Model is one of the most important growth areas under the Science vertical. It has 14 college tie-ups across Karnataka (Mangalore, Udipi, Tumkur, Hubli, Bengaluru, Davangere, Belgaum, Mysore and Gulbarga),

with 4,500+ students. The company continued to focus on pre-university model to grow in the Science division. The 'Mahesh PU' brand is very strong in Karnataka and this is helping securing more tie ups each year.

During the year, the company completed the construction of state of the art PU (Pre- University) Campus at Mangalore. Phase II of Hostel facility with a capacity of over 500 students became operational from June 2014. Later in the year, the campus was sold and leased back. The sale consideration was ₹ 5500 lakhs. The lease back deal entails continuation of MTEL's operating and management rights in premises for a period of 15 years.

The number of student serviced in the science segment increased by 21% from 18,595 in FY14 to 22,461 in FY15.

We saw spectacular results in science with 4th AIR in AIPMT and 7th AIR in JEE – Advanced and hoping to continue our excellence in the future.

Commerce Division

The company is focusing on expanding its reach in the CA coaching market throughout India with Chennai being developed as a "Centre of Excellence" for CA for strategizing growth in South India market. The excellent quality teaching and technology enablement has resulted in growth in students serviced to 7,060 in FY 15. Specialized batches for CA and other students with focused attention for Std. XI-XII Combo are gaining traction in Mumbai and Pune which acts as a feeder for admissions in CPT / IPCC.

The number of student serviced under commerce segment declined by 14% from 27,393 in FY14 to 23,668 in FY15 as a result of a conscious strategy of moving out of the basic graduation coaching space i.e. FY, SY, TY B.Com / BMS, CS.

New Tie-ups / Initiatives

Sri Gayatri Educational Society

During the year, company entered into an arrangement with Sri Gayatri Educational Society (Sri Gayatri). Sri Gayatri is one of the leading educational institution for the intermediate section (XI-XII) in the states of Telangana and Andhra Pradesh. Sri Gayatri currently has 53 colleges spread across the two states, with over 33,500 Engineering, Medical aspirants. Through this arrangement, MTEL will provide to Sri Gayatri, the expertise in teacher training, study material, technology aided teaching methods and in development of digital content on the lines of "Robomate". MT Educare and Sri Gayatri jointly plan to tap the growing potential in the Engineering and Medical aspirants market through various technology initiatives.

Skill Development

The Company during the year executed a project under the MANAS (Maulana Azad National Academy for Skills) which is governed under NMDFC and trained 1550 students successfully. The revenue booked from this initiative was ₹ 147 lacs. The Company plans to undertake more projects under this scheme during the forthcoming years.

Robomate

The digital content of Robomate received good response from the students. Encouraged by this, MT Educare started content selling to students who are not enrolled with the company. Online sales through E-Commerce portal also received good response during the year. Presently, products in the school, science, commerce, CA and IIT segment are being sold.

During the year, content digitization for ICSE / CBSE, Std. XI, XII and JEE Advanced Robomate was completed.

FINANCIAL REVIEW

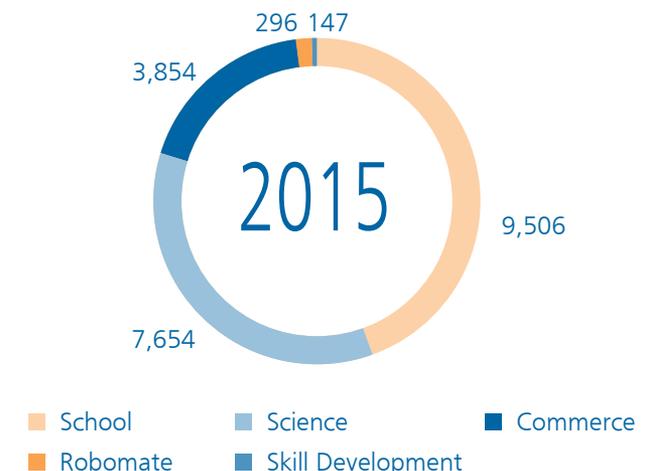
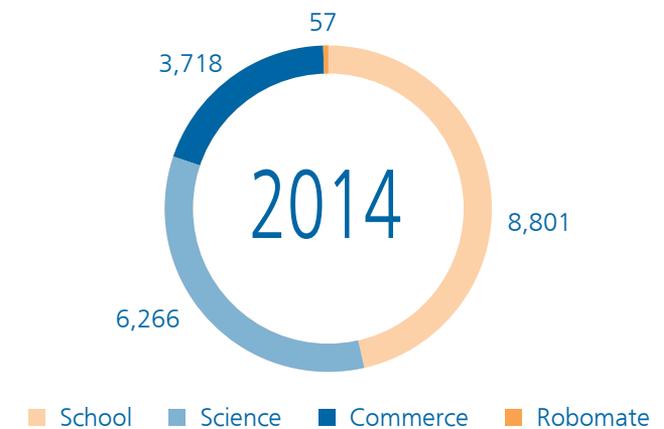
Revenue

The consolidated revenue for the year FY15 grew by 12.5% to ₹ 22,698.54 lakhs from ₹ 20,180.27 lakhs in FY14.

This year one new division namely Skill Development was added as a new business vertical. Revenue from this segment was ₹ 147 lakhs in FY15.

Sales - Vertical wise split

(₹ in lakhs)



Direct Expenses

The expense to revenue ratio in respect of rent, rates and taxes expenses has fallen from 13.6% in FY 13-14 to 12.9% in FY 14-15 largely on account of relocation and sharing within verticals. The consolidated rent, rates and taxes expense for 2014-15 stood at ₹ 2932.58 lakhs versus ₹ 2,751.96 lakhs last year, registering a growth of 6.6% vis-a-vis last year.

The student material and test expenses have increased by ₹ 814.27 lakhs to ₹ 1,906.18 lakhs. Similarly, the expense to revenue ratio has also increased from 5.4% of total operating revenue to 8.4% in FY 14-15 primarily on account of tablet costs.

Conversely, the Company's digital push to introduce digital content in the teaching methodology has resulted in savings in the teaching and administrative faculty cost (VF/AF cost), which has demonstrated 175 bps of reduction in VF/AF Cost to Revenue ratio.

Employee Benefits and Other Expenses

The employee benefits expense of the Company has grown from ₹ 2855.76 lakhs in FY 13-14 to ₹ 2945.88 lakhs in FY 14-15. This translates to a year-on-year growth of 3.16%.

Other expenses, has increased from 9.1% in FY 13-14 to 9.8% in FY 14-15 mainly on account of increase in administrative expenses.

Marketing Costs for the Company has risen from ₹ 1269.64 lakhs in FY 13-14 to ₹ 1503.09 lakhs, a growth of 18.4% over the last year. This has largely been on account of increased spend on corporate advertisement campaign aimed at brand creation during FY 14-15. Marketing expenses stand at 6.6% of the total revenue in FY 14-15.

Capital Expenditure (Fixed Assets) and Depreciation

The gross block of tangible fixed assets decreased from ₹ 12,401.77 lakhs in FY 13-14 to ₹ 8,963.00 lakhs primarily on account on sale of Mangalore PU Campus, continued expansion in coaching locations across India, Content and ICT related capitalisation. The net block of tangible fixed assets as on March 31, 2015 is ₹ 4,309.11 lakhs as compared to ₹ 8,271.09 lakhs as on March 31, 2014.

The Company's investment in development of digital content for use in MT classrooms and sale to MT and non-MT students saw the gross block of intangible fixed assets grow from ₹ 1,368.67 lakhs in FY 13-14 to ₹ 1,891.48 lakhs. The net block of intangible fixed assets as on March 31, 2015 is ₹ 721.51 lakhs.

The Company's depreciation expense reduced by 30.56% to ₹ 891.33 lakhs on account of Change in method from Written Down Value Method to Straight Line Method and redefining useful life for some of the assets.

Dividend

In line with our 50% dividend payout policy, the company paid an interim dividend of ₹ 0.6 and has recommended final dividend of ₹ 2.05, resulting in total payout of ₹ 1,267.11 lakhs (including dividend distribution tax) for FY15.

Other Balance Sheet Items

The net advance fees (current + non-current) have increased to ₹ 3,607.12 lakhs in FY 14-15 from ₹ 3,430.42 lakhs in FY 13-14. This is on account of more fees collection through full down payment vis-a-vis monthly installments.

The long-term loans and advances, have increased to ₹ 7,701.77 lakhs in FY 14-15 from ₹ 1,965.54 lakhs in FY 13-14 primarily on account of loans to Sri Gayatri Educational Society. The trade receivables (net of provision for bad and doubtful debts) increased from ₹ 890.50 lakhs in the previous year to ₹ 2,083.76 lakhs in FY 14-15 primarily on account of government projects which were completed in the last quarter.

Cash Flow

The Company's cash flow from operating items after tax for the year ended March 31, 2015 is ₹ 1,701.82 lakhs. The influence of changes in operating current assets and liabilities on the operating cash flow is significant at ₹ 1,974.66 lakhs during the year, mainly on account of trade receivables for government project.

The Company completed 100% acquisition of Lakshya Forum For Competitions Pvt. Ltd. (LFCPL) and Lakshya Educare Private Limited (LEPL) by paying ₹ 96.46 lakhs during the year taking the total purchase consideration of ₹ 1296.46 lakhs. The Company also witnessed a net cash inflow of ₹ 2,744.27 lakhs on purchase /sale of fixed assets primarily on account of sale of Mangalore PU campus (Gross sale proceeds was ₹ 5500 lakhs). The total investing cash outflow for the year ended March 31, 2015 is ₹ 474.38 lakhs.

The Company recorded a cash outflow of ₹ 774.32 lakhs towards financing activities, which included an outflow of ₹ 869.54 lakhs towards dividend and ₹ 401.62 lakhs towards finance cost.

Risk

The company is subject to various risks. With diversified operations across different states and operating in various segments within the coaching business; it is imperative for the company to have a robust risk mitigation planning.

Competition Risk

The coaching business is not capital intensive due to which large number of small and medium sized players are active in this business leading to high competition.

Mitigation Plan

The Company has gained good reputation over the last 27 years for its focused and result oriented approach of providing quality teaching. The brand 'Mahesh' is a well-known today in the cities where it operates. Its continued focus on blending technology with the teaching method of LMS has differentiated its position among its peers by giving it a distinct position creating the entry barriers to new entrants.

Geographical Risk

MT Educare's centres are concentrated in Mumbai contributing more than 80% to the total revenue. The over dependence on a single location is a risk as any moderation in Mumbai business may affect the revenue potential of the company.

Mitigation Plan: The Company is addressing the issue by steadily expanding in South India in Telangana, Andhra Pradesh and North India.

Attrition Risk

Considering that there is a stiff competition among peers and demand for good teachers, there is a high amount of attrition in the industry.

Mitigation Plan: MT Educare offers good salary to its high quality teaching staff. This has resulted in an attrition rate of less than 10%. Additionally, a fund has been created with

6,80,966 equity shares that will be issued to the faculties on the recommendation of the company.

Human Capital

The Company considers its employees as the most important asset. In order to bring the best talent and to retain them, the company has been making several employee specific investments. The company encourages its employees its faculty members to take larger role in the organizations.

As on 31st March 2015, MT Educare had total headcount of 2500+ including 1200+ well trained faculty members.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Ninth Annual Report and audited accounts for the financial year ended March 31, 2015.

Financial Results

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

Particulars	₹ in lakhs	
	2014-15	2013-14
Fees	17,992.69	17,647.07
Operating Income	1,913.95	631.46
Revenue from operations (net)	19,906.64	18,278.53
Total Expenses	15,451.29	14,025.44
Earnings before Interest, Tax, Depreciation, Amortisation and exceptional items	4,455.35	4,253.09
Less: Financial Expenses	409.88	0
Less: Depreciation & Amortization	828.47	1,205.08
Add: Other Income	706.21	264.10
Profit before exceptional items and tax	3,923.21	3,312.11
Provision for tax:		
Current tax	1,320.78	1,167.98
Deferred tax	(183.51)	(55.23)
Profit after tax	2,785.94	2,199.36
Available for Appropriations	2,785.94	2,199.36
Appropriation:		
Interim Dividend	238.76	895.25
DDT on Interim Dividend	48.80	152.16
Proposed Final Dividend	816.33	0
DDT on Final Dividend	163.22	0
Transactional Provision for Depreciation	328.92	0
Transfer to General Reserve	1,189.91	1,151.95
	2,785.94	2,199.36

Operations

The fees collected, after considering discount and concessions stood at ₹17,992.69 lakhs as against ₹17,647.07 lakhs for the previous year registering an increase of around 1.96 %. The operating income stood at ₹1,913.95 lakhs (Previous year ₹1,201.36 lakhs). Earnings before interest, depreciation, tax and amortization (EBIDTA) increased by around 4.75 % and stood at ₹4,455.35 lakhs as compared to previous year's figure of ₹4,253.09 lakhs. Profit after tax increased by 26.67 % from ₹2,199.36 lakhs in the previous year to ₹2,785.94 lakhs in the current year.

Dividend

During the financial year 2014-15, your Directors have declared and paid an interim dividend of Re.0.60 (6.00 %) per equity shares of ₹10/- each on a paid-up share capital of

₹39,79,41,400 divided into 3,97,94,140 Equity shares. The total dividend payout, including dividend distribution tax of ₹47.74 lakhs was ₹286.50 lakhs.

Your Directors recommended a final dividend of 20.5% i.e. ₹2.05 per equity shares of the face value of ₹10/- each aggregating to ₹979.54 lakhs including dividend distribution tax of ₹163.22 lakhs.

Share Capital

The Paid-up Equity Share Capital as at 31st March, 2015 stood at ₹3,979 lakhs. During the year under review, the Company has not issued any shares with differential voting rights. Company implemented the Employee Stock Options Scheme "ESOP 2011 – II" in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines"). The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2015 are provided in Annexure 1 to this Report.

Management's Discussion and Analysis Report

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

Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standard viz. AS-21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India and forms part of this Annual Report.

Performance of Subsidiary Companies

MT Education Services Pvt. Ltd.

The gross revenue of the Company for the financial year 2014-15 stood at ₹132.33 Lakhs (Previous Year ₹44.38 Lakhs). Profit after tax / (loss) for the year stood at ₹28.99 Lakhs (Previous Year ₹(19.45) Lakhs).

Chitale's Personalised Learning Pvt. Ltd.

The gross revenue of the Company for the financial year 2014-15 stood at ₹389.52 Lakhs (Previous Year ₹385.39 Lakhs). Profit after tax/(loss) for the year stood at ₹87.59 Lakhs (Previous Year ₹(30.62) Lakhs)

Lakshya Educare Pvt. Ltd.

The gross revenue of the Company for the financial year 2014-15 stood at ₹1,420.21 Lakhs (Previous Year ₹417.47 Lakhs). Profit after tax / (loss) for the year stood at ₹290.66 Lakhs (Previous Year ₹ (53.24) Lakhs)

Lakshya Forum for Competitions Pvt. Ltd.

The gross revenue of the Company for the financial year 2014-15 stood at ₹1,233.91 Lakhs (Previous Year ₹1,241.19 Lakhs). Loss for the year stood at ₹286.98 Lakhs (Previous Year ₹20.35 Lakhs)

Sri Gayatri Educational Services Pvt. Ltd

The Company was incorporated on 18/06/2014. The Company did not generate any revenue during the financial year 2014-15. The Loss stood at ₹0.51 Lakhs.

Corporate Governance

As per Clause 49 of the listing agreement, entered into with The BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE), a separate section on corporate governance practice followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms part of this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 as required under Section 92 of the Companies Act, 2013 is included in this report as Annexure 2 and forms an integral part of this Report.

Directors

In accordance with the provision of Section 152 of the Companies Act, 2013 and Company's Articles of Association Mr. Naarayanan Iyer, Director of the Company retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

All Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Key Managerial Personnel

During the year under review, your Company has appointed following personnel as Key Managerial Personnel

Sr. No	Name of the Person	Designation
1	Mr. Mahesh R. Shetty	Chairman & Managing Director
2	Mr. Yagnesh Sanghrajka	Chief Financial Officer
3	Mr. Ashwin M. Patel	Company Secretary

Board Evaluation

Pursuant to the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committee, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of independent Directors was completed. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Number of Meetings of the Board:

The details of the number of meetings of the Board held during the Financial Year 2014-15 forms part of the Corporate Governance Report.

Particulars of Loans, Guarantee and Investments by the Company:

Details of Loans, Guarantees and Investments covered under the provision of Section 186 of the Companies Act, 2013 are given in notes to Financial Statements.

Whistle Blower Policy

The Company has a Whistle Blower Policy to report genuine concern or grievance. The Whistle Blower Policy has been posted on the website of the Company (www.mteducare.com)

Remuneration and Nomination Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel, and Senior Management of the Company. The policy also lays down the criteria for selection and appointment of Board Members. The details of this policy are given in the Corporate Governance Report.

Related Party Transactions

All transactions entered into with Related Parties for the year under review are on arm's length basis and in the ordinary course of business and that the provision of Section 188 of the Companies Act, 2013 are not attracted. Further, there are no Material Related Party Transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has entered into transactions with related parties as entered in Form No. AOC-2 annexed to this report as Annexure 5. Your Company has developed Standard Operating Procedure for identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval. Omnibus approval was obtained for transactions which are of repetitive nature.

The Policy on Related Party Transaction has been uploaded on the website of the Company. The web link of the same has been provided in the Corporate Governance Report. None of the Directors have any pecuniary relationship of transactions vis-à-vis the Company.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

Directors Responsibility Statement

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 134 (3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year under review, all applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a 'going concern' basis; and
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year;
- (vi) that the Directors have devised proper system to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

M/s. Shaparia Mehta & Associates LLP, Chartered Accountants, (Firm Registration No. 112350W/W-100051), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting are recommended for re-appointment to audit the accounts of the Company for the financial year 2015-16.

As required under the provision of Section 139 of the Companies Act, 2013 the Company has received written confirmation from M/s. Shaparia Mehta & Associates LLP that their appointment, if made, would be in conformity with the limits prescribed in the said Section.

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

Cost Audit

As per the requirement of the Central Government and pursuant to the provision of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been required to maintain cost records to drive in transparency and keep a check on its costing. The notification classified four broad sectors for which cost records need to be maintained

and cost audit filed with the government, one of them being companies operating in areas involving public interest such as railway or tramway locomotives; mineral products including cement and companies engaged in education services etc.

The Board of Directors on the recommendation of the Audit Committee have appointed M/s Joshi Apte & Associates, Cost Accountants (Registration No. 00240) as Cost Auditor to audit the Cost Account of the Company for the financial year 2014-15 at a remuneration of ₹1,25,000 (Rupees One Lakh Twenty Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013 a resolution seeking members approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Secretarial Audit

Pursuant to the provision of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Mr. Pares G. Shah, Company Secretary in Practice (C.P.No 7115) to undertake Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure 3 and forms integral part of the Report.

Internal Control System and their Adequacy

Your Company has an effective internal control and risk-mitigation system, which are assessed and strengthened with new / revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and modalities of operation. The Internal Audit is entrusted to M/s Mukund N. Chitale & Co., Chartered Accountants. The main trust of the audit is to test and review controls, appraisal of risk and business process.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control system and suggests improvement to strengthen the same. The Company has strong Management Information System, being an integral part of control mechanism.

The Audit Committee, Statutory Auditors and the Business Heads are periodically appraised of the internal audit findings and corrective actions taken. Audit plays an important role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee. Proper steps have been taken to ensure and maintain objectivity and independence of Internal Audit.

Risk Management

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with Clause 49 of the listing agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this plan is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the plan establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

Corporate Social Responsibility

As part of its initiative under the Corporate Social Responsibility ('CSR') the Company has under taken project of coaching 14,000 students of Standard IX and 9,200 students of Standard X (English / Hindi / Marathi and Urdu medium) of 130 BMC Schools across Mumbai. The projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The Report on CSR Activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure 4 forming part of this Report. Apart from the CSR Activities under the Companies Act, 2013 the Company continues to voluntarily support the following social initiatives / NGO's like (a) Aasara , (b) Amcha Ghar, (c) Vanvashi Kalyan Ashram, (d) Navjivan Arogya Sanstha, (e) Bal Kalyan Nagari etc. to name a few.

Environment and Safety

The operations of the Company are conducted in such a manner that it ensures safety of all concerned and a pleasant working environment.

As required by the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is informed to the concerned and also placed on the intranet for the benefits of its employee. During the year under review, no complaints were reported to the Board.

Human Resource and Industrial Relations

The Company takes pride in the commitment, Competence and dedication shown by its employee and Visiting Faculties in all areas of operations. The Company has a structured induction process and management development programs /Teacher training workshops to upgrade skills of managers / Faculties. Objective appraisal systems based on Key Result Areas are in place for senior management staff.

The Company is dedicated to enhancing and retaining top talent through superior learning and organizational development, as this being the pillar to support the Company's growth and sustainability in the future.

Statutory Information

The information on energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given below:

- i. Part A & B of the Rules pertaining to Conservation of Energy and Technology Absorption are not applicable to your Company.
- ii. Foreign Exchange Earnings and Outgo:
 - Earnings: ₹31.14 lakhs - (Previous year ₹204.80 lakhs)
 - Outgo: ₹9.13 lakhs (Previous year ₹275.82 lakhs)

4 persons employed throughout the year were in receipt of remuneration of ₹60 lakhs per annum or more amounting to ₹320 lakhs and no persons were employed for the part of year who were in receipt of remuneration of ₹5 lakhs per month or more. During FY 2014-15 the Company had 2500+ Employees including 1200+ Visiting Faculties.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015 is given in a separate Annexure to this Report.

The above Annexure is not being sent with this Report to the members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company, 21 days before the 9th Annual General Meeting and up to the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m. on all working days (except Saturday, Sunday and Public Holidays).

None of the employee listed in the said Annexure is a relative of any director of the Company. None of the employee holds (by himself or along with his spouse and dependent Children) more than two percent of the Equity shares of the Company.

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014.

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement with the Stock Exchanges is not applicable to your Company for the financial year ending March 31, 2015.

Code of Conduct Compliance

A declaration signed by the Chairman and Managing Director affirming compliance for the Financial Year 2014-15, with the Company's Code of Conduct by the Directors and Senior Management as required under Clause 49 of the Listing Agreement with Stock Exchanges, is annexed and forms part of the Directors' Report.

Cautionary Statement

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

Appreciation

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

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

For and on behalf of the Board of Directors

Place: Mumbai

Date: May 13, 2015

Mahesh R. Shetty

Chairman and Managing Director

Annexure 1

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

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

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

Particulars	Details
Options granted	2,72,912 options were granted till March 31, 2014. 26,644 lapsed options from the above were re-granted during the year 2014-15.
The pricing formula	Under ESOP 2011 - II, Equity Shares pursuant to exercise of the options were issued at face value, i.e. ₹10
Exercise price of options	₹10
Total options vested as of 31 st March, 2015.	2,46,268
Options exercised	2,46,268
Total number of Equity Shares that would arise as a result of full exercise of options already granted	2,72,912
Options forfeited/lapsed/cancelled which can be re-issued	Nil
Variation in terms of options	Nil
Money realized by exercise of options	₹24,62,680/-
Options outstanding (in force)	26,644
Person wise details of options granted to	
(i) Directors and key management employees	15,000
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.	Nil
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant.	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	NA

Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognized if the Company had used fair value of options and impact of this difference on profits and EPS of the Company

NA. The Company has used the fair value of options for the purpose of recognizing employee compensation cost.

Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

NA

Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option

The Company has adopted Black Scholes method to estimate the fair value of options with the following assumptions:

- (i) Risk-free interest rate: 8.3%;
- (ii) Expected Life: 1.91 years (weighted average of various vesting periods);
- (iii) Expected volatility - 33% (Based on historical prices of the peer companies);
- (iv) Expected dividends: Nil
- (v) Price of underlying share in market at the time of grant of the option: NA

Vesting schedule

All options granted shall vest after one year from the date of grant

Lock-in

Not applicable

Impact on profits of the last three years

Nil

Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue

NA

Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2011 - II within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)

Nil

Annexure 2

FORM No. MGT – 9 EXTRACT OF ANNUAL RETURN

As on Financial year ended 31/03/2015

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management & Administration) Rules 2014.

I Registration and Other Details

1	CIN	L80903MH2006PLC163888
2	Registration Date	19/08/2006
3	Name of the Company	MT Educare Limited
4	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
5	Address of the Registered Office and Contact Nos.	220, 2 nd Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai - 400 080. Tel: (022) 2593 7700 / 800 / 900 Fax: (022) 2593 7799
6	Whether Listed Company	Yes
7	Name address and contact details of the Registrar and Transfer Agents, if any	Link Intime India Private Limited C-13, Pannalal Silk Mill Compound L.B.S Marg, Bhandup (West) Mumbai 400 078. Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329

II Principal Business Activities of the Company

(all business activities contributing 10% of more of the total turnover of the Company shall be stated)

Sr. No	Name and Description of the main product / Service	NIC code of the product / service	% of total turnover of the Company
1	Providing coaching services	Group 809, Class 8090 & Sub-class 80902	100.00

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	MT Education Services Pvt. Ltd 220, 2 nd Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai - 400 080.	U80301MH2010PTC199012	Subsidiary Company	100.00	Section 2(87)
2	Lakshya Educare Pvt.Ltd 220, 2 nd Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai – 400 080.	U80301MH2012PTC238011	Subsidiary Company	100.00	Section 2(87)

Sr. No	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
3	Lakshya Forum For Competitions Pvt. Ltd SCF 101, Chotti Baradari, Patiala 147 001.	L80301PB2010PTC034186	Subsidiary Company	100.00	Section 2(87)
4	Chitale's Personalised Learning Pvt. Ltd. 1/14, Shefalee Co-op Society, Phiroze Shah Road, Santacruz (West), Mumbai 400 054.	U80301MH2009PTC197141	Subsidiary Company	51.00	Section 2(87)
5	Sri Gayatri Educational Services Pvt. Ltd 220, 2 nd Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai – 400 080.	U80904MH2014PTC255536	Subsidiary Company	75.00	Section 2(87)

IV Shareholding Pattern

(Equity share Capital break-up as percentage to total equity)

1. Category wise Shareholding

Category code	Category of Shareholders	No. of shares held at the beginning of the year (as on 1 st April, 2014)				No. of shares held at the end of the year (as on 31 st March, 2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physicals	Total	% of total shares	
(A)	Promoter and Promoter Group									
1	Indian									
(a)	Individuals/HUF	18036803	0	18036803	45.34	17036803	0	17036803	42.81	2.53
(b)	Central Govt. /State Govt.	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(d)	Banks / FI	0	0	0	0	0	0	0	0	0.00
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0.00
	Sub Total (A)(1)	18036803	0	18036803	45.34	17036803	0	17036803	42.81	2.53
2	Foreign									
(a)	Individuals (NRI & Foreign)	0	0	0	0	0	0	0	0	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(c)	Institutions	0	0	0	0	0	0	0	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0.00
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0.00
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	18036803	0	18036803	45.34	17036803	0	17036803	42.81	2.53
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	1488159	0	1488159	3.74	662685	0	662685	1.67	2.08
(b)	Banks / FI	5512	0	5512	0.01	13720	0	13720	0.03	0.02
(c)	Central Govt./ State Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII's	4527108	0	4527108	11.38	8441136	0	8441136	21.21	9.83
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B) (1)	6020779	0	6020779	15.13	9117541	0	9117541	22.91	7.78
2	Non-institutions									
(a)	Bodies Corporate	1510249	0	1510249	3.80	2293876	0	2293876	5.76	1.97
(b)	i. Individuals - shareholders holding nominal share capital up to ₹1 Lakh	2408774	36638	2445412	6.15	3559101	36190	3595291	9.03	2.89

Category code	Category of Shareholders	No. of shares held at the beginning of the year (as on 1 st April, 2014)				No. of shares held at the end of the year (as on 31 st March, 2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physicals	Total	% of total shares	
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	6444423	543133	6987556	17.56	3502413	81180	3583593	9.01	8.56
(c)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0.00
(d)	Any Other									
i	NRI -Repat	41463	0	41463	0.10	222655	0	222655	0.56	0.46
ii	NRI - Non Repat	6445	0	6445	0.02	58260	0	58260	0.15	0.13
iii	Foreign Portfolio Inv. (Corporate)	1767404	0	1767404	4.44	875271	0	875271	2.20	2.24
iv	Clearing Member	135314	0	135314	0.34	175138	0	175138	0.44	0.10
v	Directors / Relatives	1917801	0	1917801	4.82	1918251	0	1918251	4.82	0.00
vi	Trusts	912961	0	912961	2.29	912961	0	912961	2.29	0.00
vii	Foreign Nationals	0	0	0	0.00	4500	0	4500	0.01	0.01
	Sub Total (B)(2)	15144834	579771	15724605	39.53	13522426	0	13522426	34.28	5.25
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	21165613	579771	21745384	54.66	22639967	0	22639967	57.19	2.53
	Total (A)+(B)	39202416	579771	39782187	100.00	39676770	117370	39794140	100.00	0.00
(C)	Shares held by custodians and against which Depository Receipts have been issued									
i	Promoter and Promoter group	0	0	0	0	0	0	0	0	0.00
ii	Public	0	0	0	0	0	0	0	0	0.00
	Sub Total (C)	0	0	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	39202416	579771	39782187	100.00	39676770	117370	39794140	100.00	0.00

2. Shareholding of Promoter

Sr. No	Name of Promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		Nos. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	Nos. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mahesh R. Shetty	18036803	45.34	10.39	17036803	42.81	2.19	2.53

3. Change in Promoters shareholding (Please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		Nos. of Shares	% of total shares of the Company	Nos. of Shares	% of total shares of the Company
1	Mahesh R. Shetty				
	At the beginning of the year	18036803	45.34	-	-
	Shares sold on 08/08/2014	1000000	2.53	-	-
	At the end of the year	-	-	17036803	42.81

4. Shareholding Pattern of Top 10 shareholders

(Other than Directors, Promoters and holders of GDR's and ADR's)

Sr. No	Name of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		Nos. of Shares	% of total shares of the Company	Nos. of Shares	% of total shares of the Company
1	India Max Investment Fund Limited	1980000	4.98	1980000	4.98
2	Banyantree Growth Capital II L.L.C	-	-	1800000	4.52
3	Kotak Mahindra (International) Limited	-	-	1005000	2.53
4	Avendus India Opportunities Fund III	912961	2.29	912961	2.29
5	Ashmore Sicav Indian Small-Cap Equity Fund	867849	2.18	875271	2.20
6	Grandeur Peak Emerging Markets Opportunities Fund	-	-	843998	2.12
7	Grandeur Peak Global Reach Fund	-	-	808028	2.03
8	Grandeur Peak Global Opportunities Fund	-	-	587689	1.48
9	IDBI Trusteeship Services Limited	639294	1.61	566822	1.42
10	California Public Employees' Retirement System, Managed By Ashmore Equities Investment Management (US) LLC	559801	1.41	559801	1.41

5. Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		Nos. of Shares	% of total shares of the Company	Nos. of Shares	% of total shares of the Company
1	Mr. Mahesh R. Shetty				
	At the beginning of the year	18036803	45.34	-	-
	Shares sold on 08/08/2014	1000000	2.53	-	-
	At the end of the year	-	-	17036803	42.81
2	Mr. Naarayanan Iyer	198000	0.50	198000	0.50
3	Dr. Chhaya Shastri	1717551	4.32	1717551	4.32
4	Mr. Yatin Samant				
	At the beginning of the year	2250	0.01	-	-
	Shares purchased during the year	450	-	-	-
	At the end of the year	-	-	2700	0.01
5	Mr. Ashwin M. Patel				
	At the beginning of the year	7500	0.02	-	-
	ESOP Allotment on 04/05/2014	2500	0.01	-	-
	At the end of the year	-	-	10000	0.03

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

₹ in lakhs

Particulars	Secured Loan excluding deposit	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of financial year				
i. Principal Amount	-	193.45	-	193.45
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	193.45	-	193.45
Change in indebtedness during the year				
Additions	4995.40	-	-	4995.40
Reductions	4500.00	-	-	4500.00
Net Change	495.40	-	-	495.40
Indebtedness at the end of the financial year				
i. Principal Amount	495.40	-	-	495.40
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	495.40	-	-	495.40

VI Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Managing Director, Whole-time Director and / or Manager

Sr. No	Particulars of Remuneration paid to Mr. Mahesh R. Shetty (CMD)	Total Amount (in Lakhs)
1	Gross Salary	
	a. Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	129.00
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil
	c. Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	Nil
2	Stock Options	Nil
3	Sweat Equity	Nil
	Commission :	
	a. As % of profit	Nil
	b. Others, specify	Nil
5	Others, please specify	Nil

B. Remuneration of Other Directors

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1	Independent Directors	Ms. Drushti Desai	Mr. Yatin Samant	Mr. Uday Lajmi	
	Fees for attending Board / Committee meetings	1,85,000	1,30,000	1,45,000	4,60,000
	Commission	-	-	-	-
	Others, please Specify	-	-	-	-
	Total (A)	1,85,000	1,30,000	1,45,000	4,60,000
2	Other non-Executive Directors	Mr. Naarayanan Iyer	Dr. Chhaya Shastri		-
	Fees for attending Board / Committee meetings	75,000	2,00,000	-	2,75,000
	Commission	-	-	-	-
	Others, please Specify	-	-	-	-
	Total (B)	75,000	2,00,000	-	2,75,000
	Total (A + B)				7,35,000

C. Remuneration to Key Managerial Personnel other than MD / WTD/ Manager

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Lakhs)
		Mr. Yagnesh Sanghrajka - CFO	Mr. Ashwin M. Patel – CS	
1	Gross Salary	68.00	28.28	96.28
	a. Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	68.00	26.36	94.36
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	1.92	1.92
	c. Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Lakhs)
		Mr. Yagnesh Sanghrajka - CFO	Mr. Ashwin M. Patel – CS	
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	a. As % of profit	-	-	-
	b. Others, specify	-	-	-
5	Others, please specify	-	-	-

Vi. Penalties / Punishment / Compounding of Offence

Type	Section of the Companies Act	Brief description	Details of penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeals made, if any (give details)
Company					
Punishment	-	-	-	-	-
Penalty	-	-	-	-	-
Compounding	-	-	-	-	-
Directors					
Punishment	-	-	-	-	-
Penalty	-	-	-	-	-
Compounding	-	-	-	-	-
Other Officer in Default					
Punishment	-	-	-	-	-
Penalty	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
MT Educare Ltd.
220, 2nd Floor, FLYING COLORS,
Pandit Din Dayal Upadhyay Marg,
L.B.S Cross Road, Mulund (West),
Mumbai 400 080.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MT Educare Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) I have relied on the representations made by the Company and its officers for the systems and mechanism formed by the Company for compliances under other applicable acts, Laws and Regulations to the Company. The major heads / group of Acts, Laws and Regulations as applicable to the Company are (i) labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc., (ii) Acts as prescribed under Direct Tax and Indirect Tax, (iii) Trade Mark Act 1999 and Copy Right Act 1957 and (iv) Acts as prescribed under Shops and establishment Act of various local authorities.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.

- ii. The Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review, the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above except that the following forms have not been filed (a) Form No.MGT-14 for filing of resolution relating to quarterly financial results and appointment of Secretarial Auditor as required under Section 179 of the Companies Act, 2013 (b) Form ADT1 informing the Registrar about appointment of Auditors by the Company (c) Form 23 AC / ACA and (d) Form 20B.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has passed following special resolution(s) which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- i. Sell, lease, mortgage, create charge or otherwise dispose of the whole or substantially the whole of the undertaking(s) under Section 180(1) (a) of the Companies Act, 2013.
- ii. Loan and investment by Company upto an aggregate amount not exceeding ₹ 125 crores under Section 186 of the Companies Act, 2013.
- iii. Issuance of equity shares through QIP upto an amount of ₹ 50 crores pursuant to Section 42 and 62 and all other applicable provisions and rules of the Companies Act, 2013.

Place: Mumbai
Date: May 13, 2015

Paresh G. Shah
Practicing Company Secretary
FCS No.: 16778
C P No.: 7115

This report is to be read with our letter of even date which is annexed as 'Annexure I' and forms an integral part of this report.

Annexure I

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: May 13, 2015

Paresh G. Shah
Practicing Company Secretary
FCS No.: 16778
C P No.: 7115

Annexure 4

Annual Report details of the CSR Activities

A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

1. CSR Policy is stated herein below:
Web link: <http://mteducare.com/images/CSR Policy.pdf>
2. Composition of the CSR Committee:
Mr. Uday Lajmi
Mr. Mahesh Shetty
Dr. Chhaya Shastri
3. Average net profit of the Company for last three financial years:
Average net profit: ₹1804.00 lakhs
4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):
The Company is required to spend ₹36.08 lakhs towards CSR activities.
5. Details of CSR spend for the financial year:
 - a. Total amount spent for the financial year: ₹78.01 lakhs
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project / Activity identified	Sector in which the project is covered	Location	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure Up to reporting period	Amount spent: Direct or through implementing agency
1	Imparting education to students of BMC Schools	Education	Mumbai	47.50	47.50	47.50	Implementing Agency
2	Relief – Uttarakhand and Kashmir	Charity	Uttarakhand & Kashmir	23.32	23.32	23.32	Implementing Agency
3	Medical	Health care	Mumbai	0.94	0.94	0.94	Implementing Agency
4	Tailoring	Women Empowerment	Mumbai	2.45	2.45	2.45	Implementing Agency
5	Old age homes, CRY, Save the Child, Amcha Ghar etc.	Other CSR projects	Mumbai	3.81	3.81	3.81	Implementing Agency

In case if the Company has failed to spend two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – **Not Applicable**

The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Chairman & Managing Director
Mumbai, May 13, 2015

Chairman of CSR Committee

CSR Policy

Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

The CSR initiatives focus on holistic development of communities and create social and economic value to the society.

The Company's commitment to CSR Projects and Programs will be by investing resources in the following areas.

- a. eradicating extreme hunger and poverty;
- b. promotion of education;
- c. promoting gender equality and empowering women;
- d. reducing child mortality and improving maternal health;
- e. ensuring environmental sustainability;
- f. employment enhancing vocational skills;
- g. social business projects;
- h. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- i. such other matters as may be prescribed.

Annexure 5

AOC FORM – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered in during the year ended March 31, 2015, which were not at arm's length basis

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2015 are as follows:

Particulars	Nature of Relationship	Duration of contract	Salient Features	₹ in lakhs
Nature of contract				
Interest on Debentures				
Lakshya Forum for Competitions Pvt. Ltd.	Subsidiary	ongoing	Not applicable	31.85
MT Education Services Pvt. Ltd.	Subsidiary	Completed	Not applicable	0.60
				32.45
Interest Paid on Loan				
Lakshya Educare Pvt. Ltd.	Subsidiary	ongoing	Not applicable	8.56
				8.56
Interest Received on Loan				
Lakshya Educare Pvt. Ltd.	Subsidiary	ongoing	Not applicable	3.37
Lakshya Forum for Competitions Pvt. Ltd.	Subsidiary	ongoing	Not applicable	26.13
MT Education Services Pvt. Ltd.	Subsidiary	ongoing	Not applicable	1.28
Sri Gayatri Education Services Pvt. Ltd.	Subsidiary	ongoing	Not applicable	0.15
				30.93
Loans and advances given				
Lakshya Educare Pvt Ltd	Subsidiary	ongoing	Not applicable	326.27
Lakshya Forum for Competitions Pvt. Ltd.	Subsidiary	ongoing	Not applicable	76.31
MT Education Services Pvt. Ltd.	Subsidiary	ongoing	Not applicable	31.00
Sri Gayatri Education Services Pvt. Ltd.	Subsidiary	ongoing	Not applicable	2.50
				436.08
Loans and advances given received back				
Lakshya Educare Pvt Ltd	Subsidiary	ongoing	Not applicable	227.22
Lakshya Forum for Competitions Pvt. Ltd.	Subsidiary	ongoing	Not applicable	145.09
MT Education Services Pvt. Ltd.	Subsidiary	ongoing	Not applicable	5.79
				378.11
Loans and advances repaid by Company				
Lakshya Educare Pvt. Ltd.	Subsidiary	ongoing	Not applicable	193.45
				193.45
Loans and advances taken				
Lakshya Educare Pvt. Ltd.	Subsidiary	ongoing	Not applicable	-
				-
Management Fee Income				
Chitale's Personalised Learning Pvt. Ltd.	Subsidiary	ongoing	Not applicable	28.46
Lakshya Forum for Competitions Pvt. Ltd.	Subsidiary	ongoing	Not applicable	36.00
Lakshya Educare Pvt. Ltd.	Subsidiary	ongoing	Not applicable	1.75
				66.21
Professional Fees Expenses				
Chitale's Personalised Learning Pvt. Ltd.	Subsidiary	ongoing	Not applicable	71.61
Lakshya Forum for Competitions Pvt. Ltd.	Subsidiary	ongoing	Not applicable	75.34
				146.96
Rent Income				
Chitale's Personalised Learning Pvt. Ltd.	Subsidiary	ongoing	Not applicable	25.38
Lakshya Educare Pvt. Ltd.	Subsidiary	ongoing	Not applicable	145.53
				170.91

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2015.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

Governance Structure

MT Educare's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational

level. This structure brings about a blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Board of Directors:

Composition and size of the Board:

The Board consists of eminent individuals from Industry, Financial and Marketing. The Company is managed by the Board of Directors in co-ordination with the senior management team. The Board periodically evaluates the need for change in its composition and size.

As on March 31, 2015, the Board of the Company has 6 (Six) Directors. The Chairman of the Board is an Executive Director while others are Non-executive Directors. Of the 5 (Five) Non-executive Directors, 3 (Three) are Independent while the remaining 2 (Two) are non-independent.

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies	Nos. of Board Committees in which Chairman / Member	
				Chairman	Member
Mr. Mahesh R. Shetty	19/08/2006	Chairman and Managing Director	Nil	Nil	1
Mr. Naarayanan Iyer	19/08/2006	Non-Executive Non-Independent	Nil	Nil	Nil
Dr. Chhaya Shastri	08/04/2011	Non-Executive Non-Independent	Nil	Nil	3
Ms. Drushti Desai	08/04/2011	Independent	6	5	10
Mr. Yatin Samant	08/04/2011	Independent	Nil	1	1
Mr. Uday Lajmi	02/06/2011	Independent	Nil	2	1

Note:

- Directorship excludes Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorship.
- Chairmanship / Membership of the Committee include only Audit Committee and Stakeholders Relationship Committee in Indian Public Listed Companies other than MT Educare Limited. Members of the Board of the Company do not have membership of more than ten Board level Committee or Chairman of more than five such Companies.
- No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013.

- The Company was already in compliance with the requirement of Section 149(3) of the Companies Act, 2013, as Ms. Drushti Desai is an Independent Director on the Board.

Director's Profile:

Mr. Mahesh Shetty – He has over 30 years of experience and holds a bachelor's degree in science and education. His foresight of delivering quality education consistently with unique innovation ahead of the market has resulted in the Company being the premier institution in the Education sector and a household name. He was awarded the 'Pride of the Nation Award' by the All India Achievers Association in the year 2008 and "Edupreneurs 2013" award by Times of India.

He is Promoter of the Company and holds 1,70,36,803 Equity Shares of the Company in his name as on March 31, 2015.

Mr. Naayanan Iyer - He has been associated with our Company since its incorporation. After completing his graduation in mechanical engineering, he has to his forte a rich 23 years of experience in the education sector. He was instrumental in establishing a culture of training and development in the Company. He holds 1,98,000 Equity Shares of the Company in his name as on March 31, 2015.

Dr. Chhaya Shastri – She has over 20 years of experience in various sectors such as education, media, healthcare, constructions and manufacturing and has played a major role in corporatizing MT Educare, strategizing expansion plans of the Company and establishing it as a leading education services provider. She holds a multidimensional education qualification in the fields of allied medical sciences, law & management and also being the alumni of IIM Calcutta.

She is a director of Prosynapse Consultants India Private Limited, MT Education Services Private Limited and Lakshya Forum for Competition Private Limited. She is the member of Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company. She holds 17,17,551 Equity shares in her name as on March 31, 2015.

Ms. Drushti Desai – She is a fellow chartered accountant and holds a bachelor’s degree in commerce. She has 18 years of experience in the field chartered accountancy, taxation, restructuring advisory and valuation. Her guidance and acumen on taxation matters has added significant value to the Company.

She is a director of MPIL Corporation Limited, Global Logic Technologies Ltd., Global Logic India Ltd., Kewal Kiran Clothing Ltd. and Narmada Gelatines Ltd. She is the Chairman of Audit Committee and member of Stakeholders Relationship Committee, Remuneration and Nomination Committee of the Company. She is a partner of Banshi S. Mehta & Co., B. S. Mehta & Co., and BSM Associates, Chartered Accountants. She does not hold any Equity shares in her name as on March 31, 2015.

Mr. Yatin Samant - Holds a bachelor’s degree in engineering from VJTI, Mumbai and a master’s degree in management studies from Jamnalal Bajaj Institute of Management Sciences, Mumbai. He has over 27 years of varied experience in sales, marketing, business development and general management across industries. He specializes in corporate training and consults corporates on growth strategies.

He is the Chairman of Stakeholders Relationship Committee and member of Remuneration and Nomination Committee. He holds 2700 Equity shares in his name as on March 31, 2015.

Mr. Uday Lajmi - Holds a master’s degree in marketing management and a doctorate degree in physical chemistry from the Institute of Technology Mumbai. He has over 24 years of experience in various capacities in industry and academics. He is presently, the Dean - management education & assistant vice president (training & development) with Reliance Infrastructure Limited, a Reliance ADAG company. He has established education institutions that are names to reckon with today and contributes to the Company on systems and processes.

He is the Chairman of Corporate Social Responsibility Committee and Remuneration and Nomination Committee and member of Audit Committee of the Company. He does not hold any Equity shares in his name as on March 31, 2015.

Independent Director

The Non-Executive Independent Directors of the Company fulfills the condition of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A Formal letter of Appointment to Independent Directors as provided in the Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company viz. www.mteducare.com

Board meeting:

The Board meets at regular intervals to discuss on business strategies / policies and reviews financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative calendar is circulated to all the Directors well in advance, to facilitate the Directors to plan their schedule. In case of business exigencies the Board’s approval is taken through circular resolutions, which are noted at the subsequent Board Meetings.

The Agenda along with other relevant notes and material information are sent in advance and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

In the financial year 2014-15 the Board met four times. The meetings were held on, 14/05/2014, 06/08/2014, 12/11/2014 and 04/02/2015. The interval between the two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement.

Attendance of Director at the Board Meetings and at the last Annual General Meeting (AGM)

Name of Director	Category of the Directorship	Number of Board Meeting Attended	Attendance at the last AGM held
Mr. Mahesh R. Shetty	Chairman & Managing Director – Executive (Promoter)	4	Yes
Mr. Naayanan Iyer	Non-Executive Non-Independent Director	4	Yes
Dr. Chhaya Shastri	Non-Executive Non-Independent Director	4	Yes
Ms. Drushti Desai	Non-Executive Independent Director	4	Yes

Name of Director	Category of the Directorship	Number of Board Meeting Attended	Attendance at the last AGM held
Mr. Yatin Samant	Non-Executive Independent Director	4	Yes
Mr. Uday Lajmi	Non-Executive Independent Director	4	Yes

Information given to the Board

The Company provides information as set out in Clause 49 of the Listing Agreement to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers of the respective meetings or by way of presentations and disclosures during the meetings.

Post Meeting Mechanism

The important decisions taken at the Board / Board Committees meetings are communicated to the concerned department.

Board Support

The Company Secretary attends the Board / Board Committee meetings and advises on compliances and applicable laws and governance.

Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him /her as a Director of the Company. The Director is also explained in detail the compliances required from him /her under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his/her affirmation taken with respect to the same.

By way of an introduction to the Company, the Director is presented with a brochure on the Company which traces its history over 28 years of its existence, relevant Annual Reports, brochure on CSR Activities undertaken by the Company etc. The Executive Chairman has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as a Director of the Company.

Governance Codes

Conflict of Interest

Each director informs the Company on an annual basis about the Board and Committee positions he / she occupies in other companies including Chairmanship and notifies changes during the year. Members of the Board while discharging their duties, avoid conflict of interest in the decision making

process. The members of the Board restrict themselves from any discussion and voting in transactions in which they have concern / interest.

Insider Trading Code

The Company has adopted Code of Conduct for Prevention of Insider Trading ("The Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 since listing. The Code is applicable to Promoter, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance officer for monitoring adherence to the said Regulations.

Committee of the Board:

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of Board and functions under the respective Charters. These Board Committees play an important role in overall management of day to day affairs and governance of the Company. The Board Committees meet at regular intervals; take necessary steps to perform its duties. To ensure good governance, the minutes of the Committee meetings are placed before the Board for their noting.

The Board has currently the following Committees:

A. Audit Committee:

Composition

The Audit Committee of the Board of Directors (the "Audit Committee") is entrusted with the responsibility to supervise Company's internal controls and financial reporting process. The composition, quorum, power, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provision of Clause 49 of the Listing Agreement. All members of the Audit Committee are financially literate and bring in experience in the field of finance, taxation, risk management, economics etc. Ms. Drushti Desai, Non-Executive Independent Director and a Chartered Accountant by profession having wide experience on financial and taxation issues is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. Uday Lajmi and Dr. Chhaya Shastri.

Meeting and Attendance

During the financial year 2014-15, Four Audit Committee Meetings were held. The Company is in compliance with the provisions of Clause 49 of the Listing Agreement. The Committee met on 14/05/2014, 06/08/2014, 12/11/2014 and 04/02/2015. The necessary quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Audit Committee members:

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

Terms of Reference

Financial Reporting and Related Processes:

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.

- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment / re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/ Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

Other Duties

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year. The Chairman, the Chief Financial Officer (CFO), the Internal Auditor attends all the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Chief Internal Auditor reports directly to the Audit Committee.

B. Remuneration and Nomination Committee

Composition

The Remuneration and Nomination Committee comprises of three Directors. Mr. Uday Lajmi, Non-Executive Independent Director, is the Chairman of the Committee. The other members of the Remuneration and Nomination Committee include Ms. Drushti Desai and Mr. Yatin Samant. The composition of Remuneration and Nomination Committee is pursuant to the provision of Section 178 of the Companies Act, 2013 and Clause 49 of the listing Agreement.

Meeting and Attendance

Remuneration and Nomination Committee met once during the year on 14/05/2014. Necessary quorum was present at the meeting. The Chairman of Remuneration and Nomination Committee was present at the last Annual General Meeting of the Company.

The table below provides the attendance of the Remuneration and Nomination Committee members

Sr. No	Name	Position	Category of Directorship	Attendance out of one meeting held
1	Mr. Uday Lajmi	Chairman	Independent Non- Executive Director	1
2	Mr. Yatin Samant	Member	Independent Non- Executive Director	1
3	Ms. Drushti Desai	Member	Independent Non- Executive Director	1

Terms of Reference

The terms of reference of the Remuneration and Nomination Committee are as follows:

- Reviewing the overall compensation policy, service agreement and other employment conditions of Managing / Whole-time Directors and senior Management (one level below the Board);
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment / re-appointment and removal of Directors;
- To frame criteria for determining qualification, positive attributes and independence of Directors;
- To recommend to the Board remuneration payable to the Directors;
- To create an evaluation framework for independent Directors and the Board;
- To provide necessary evaluation report to the Chairman after the evaluation process is complete by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time to time;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

Remuneration Policy

Remuneration paid to Executive Director

The appointment and remuneration of executive Directors including Chairman and Managing Director is governed by the recommendation of the Remuneration and Nomination Committee, resolution passed by the Board of Directors and Shareholders of the Company. Payment to Executive Directors is governed by the agreement executed between them and the Company. The Remuneration of Executive Directors comprises of salary, perquisites, allowances and contribution to provident

and other retirement funds as approved by the Shareholders in the General Meetings. Annual increments are linked to the performance and are decided by the Remuneration and Nomination Committee and recommended to the Board of Directors for approval thereof.

Presently, the Company does not have a scheme for grant of stock options or performance linked incentive for its Directors.

The remuneration paid to Mr. Mahesh R. Shetty during the year 2014-15 is ₹129.00 lakhs (previous year ₹129.00 lakhs).

Remuneration and shareholding of Non-executive Directors:

The non-executive directors are only paid sitting fees for attending meetings of the board and committee(s) thereof. Keeping in view industry practices being the criteria relied upon by the board, the board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the Company. The sitting fee presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive directors for attending meetings of the board and committee(s) thereof held during the year ended on March 31, 2015 is as under:

Sitting fees paid to the Non-executive Directors for 2014-15 are as detailed below:

Name of the Non-Executive Director	Sitting Fees (₹)	Nos. of shares held
Mr. Naarayanan Iyer	75,000	1,98,000
Dr. Chhaya Shastri	2,00,000	17,17,551
Ms. Drushti Desai	1,85,000	Nil
Mr. Yatin Samant	1,30,000	2700
Mr. Uday Lajmi	1,45,000	Nil

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

Performance Evaluation

Pursuant to the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement the board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Board Committee. A structured questionnaire was prepared covering various aspects of the Board functioning such as execution and performance of specific duties, obligations and governance. The performance evaluation of the Chairman and Managing Director and the non-independent Directors was carried out by the independent Directors. The Directors express satisfaction with the evaluation process.

C. Stakeholders Relationship Committee

Composition and Attendance

The Stakeholders Relationship Committee comprises of three Directors. Mr. Yatin Samant, Non-Executive Independent Director is the Chairman of this Committee. The table given below highlights the composition and attendance of the members of the Committee. Four meeting of the Committee were held during the year on 14/05/2014, 06/08/2014, 12/11/2014 and 04/02/2015 and the necessary quorum was present for all meetings.

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

Terms of Reference:

The Board has clearly defined the terms of reference for this Committee. The Committee looks into the matters of shareholders / Investors Grievance along with other matters listed below:

- Approval for transfer of shares, issue of duplicate / split / sub-division of shares certificate;
- Non-receipt of Annual Report
- Non-receipt of dividend and
- Any other investors' grievance raised by any shareholder.

The secretarial Department of the Company and the Registrar and Share Transfer Agents, Link Intime (India) Private Limited attend to all grievances of the shareholders received directly through SEBI, Stock Exchanges, Registrar of Companies, Ministry of Corporate Affairs etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that the grievances are more expeditiously redressed to the satisfaction of the Investors. Shareholders are requested to kindly provide their contact details to facilitate prompt action.

Details of Shareholders Complaint Received, Solved and Pending, if any, during the financial year 2014-15

The total number of complaint received and replied during the year ended 31st March, 2015 were 09 as details given below. There were no complaints pending as of 31st March, 2015. The Complaints are normally attended within seven working days

except where constrained by disputes or legal impediments. No Investors grievance remained unattended / pending for more than thirty days as on 31st March, 2015.

Sr. No	Nature of Complaint	Complaints received	Complaints resolved
1	Non-receipt of Annual Report	04	04
2	Non-receipt of dividend warrant	05	05
Total		09	09

D. Corporate Social Responsibility Committee

Composition

Pursuant to Section 135 of the Companies Act, 2013 the Corporate Social Responsibility (CSR) Committee was constituted on 14/05/2014 which comprises of three Directors. Mr. Uday Lajmi, Non-Executive Independent Director is the Chairman of the CSR Committee. The other members of the CSR Committee includes Mr. Mahesh Shetty and Dr. Chhaya Shastri. The composition of the CSR Committee is pursuant to the provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014. As per Section 135 of the Companies Act, 2013, the Company was required to spend ₹36.08 lakhs for the financial year 2014-15.

The Company formulated CSR Policy, which is uploaded on the website of the Company (weblink:<http://mteudicare.com/images/CSRPoly.pdf>)

The terms of reference of the CSR Committee broadly comprises:

- To review the existing CSR policy of the Company and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

Meeting and Attendance

The CSR Committee met 3 times during the year on 06/08/2014, 12/11/2014 and 04/02/2015. The necessary quorum was present for all the meetings. The Composition of the CSR Committee as at 31st March, 2015 and the details of the meeting of the Committee are as under:

Sr. No	Name	Position	Category of Directorship	Attendance out of 3 meeting held
1	Mr. Uday Lajmi	Chairman	Independent Non- Executive Director	3
2	Mr. Mahesh Shetty	Member	Executive, Non- independent Director	3
3	Dr. Chhaya Shastri	Member	Non-Executive, Non- independent Director	3

E. Independent Directors Meeting:

During the year under review, all the Independent Directors met on March 27, 2015 inter alia to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Subsidiary Companies

The Company does not have any material subsidiary as defined under Clause 49 of the Listing Agreement. However, the Company has formulated the Material Subsidiary policy and uploaded on the website of the Company (weblink:[http://mteudicare.com/images/Material Subsidiary Policy.pdf](http://mteudicare.com/images/Material%20Subsidiary%20Policy.pdf)).

Affirmations And Disclosures

- Compliance with Governance framework – The Company is in compliance with all the mandatory requirements of Clause 49 of the Listing Agreement.
- Related Party Transactions - All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provision of Section 188 of the Companies Act, 2013. There are no materially significant transactions with related parties during the financial year. Related party transactions have been discussed under note no. 26.8 (standalone) and note no. 25.8 (consolidated) of significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard 18". A statement of transactions with related parties in the ordinary course of business and arm's length basis are periodically placed before the Audit Committee for review and recommendation to the board for their approval.

As required under Clause 49 of the Listing Agreement the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company (weblink:[http://mteudicare.com/images/Policy Related Party Transactions.pdf](http://mteudicare.com/images/Policy%20Related%20Party%20Transactions.pdf)).

None of the transaction with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out at arm's length basis or fair value.

- Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital market, during the last three years.

The Company has complied with all the requirements of

Listing Agreement entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there are no penalties or strictures imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market, during the last three years.

- Whistle Blower Policy - Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.
- Disclosure of Accounting Treatment - In the preparation of financial statements the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.
- Risk Management – Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.
- Non-Mandatory requirements- Adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Shareholders Informtion

1. General Body Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date and Time	Whether any special resolution passed
2011-12	Shagun Banquet Hall, Devi Dayal Road, Behind Fire Brigade Office, Mulund (West), Mumbai 400080.	14 th September, 2012 at 4.00 p.m.	No
2012-13	Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100 L.B.S Road, Bhandup (West), Mumbai 400078.	14 th September, 2013 at 11.30 a.m.	No
2013-14	Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100 L.B.S Road, Bhandup (West), Mumbai 400078.	24 th September, 2014 at 11.30 a.m.	Yes. Considering issuance of Shares through Qualified Institutional Placement (QIP)

Postal Ballot

During the year, pursuant to the provision of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company has passed certain resolutions through Postal Ballot as per the details mentioned below:

- a. The Company as per Postal Ballot notice dated 14/05/2014 passed a Special Resolution for sell, lease, mortgage, create charge or otherwise dispose of the whole or substantially the whole of the undertaking(s) the movable and immovable properties of the Company, both present and future.

The Company had appointed Mr. Nilesh Shah of M/s. Nilesh Shah and Associates, Practicing Company Secretaries as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. Postal ballot forms received up to the close of working hours of 24/07/2014 had been considered and the result of postal ballot was announced on 26/07/2014 at the Registered Office of the Company. The details of the result of Postal Ballot are as under:

Promoter / Public	No. of shares held	No. of Votes Polled	% of votes polled on outstanding shares	No. of votes in favour	No. of Votes Against	% of votes in favour on votes polled	% of votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter & Promoter Group	18036803	18036803	100.00	18036803	0	100.00	0
Public – Institutional Holders	7289914	2200962	30.19	2200962	0	100.00	0
Public – Others	14467423	4728100	32.68	4589550	138550	97.07	2.93
Total	39794140	24965865	62.74	24827315	138550	99.45	0.55

- b. The Company as per Postal Ballot notice dated 04/02/2015 passed a Special Resolution authorizing the Board to (a) invest by way of subscription, purchase or otherwise in the securities of any of its subsidiary / associate companies and/or (b) make loans to any of its subsidiary /associate companies and/or (c) give guarantees in connection with loan(s) given by any other person to any of its subsidiary/associate companies up to an aggregate amount not exceeding ₹125 Crore, notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees so far given or to be given by the Company, exceeds the limits/will exceed the limits laid down by the Companies Act, 2013.

The Company had appointed Mr. Nilesh Shah of M/s. Nilesh Shah and Associates, Practicing Company Secretaries as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. Postal ballot forms received up to the close of working hours of 26/03/2015 had been considered and the result of postal ballot was announced on 28/03/2015 at the Registered Office of the Company. The details of the result of Postal Ballot are as under:

Promoter / Public	No. of shares held	No. of Votes Polled	% of votes polled on outstanding shares	No. of votes in favour	No. of Votes Against	% of votes in favour on votes polled	% of votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter & Promoter Group	17036803	17036803	100.00	17036803	0	100.00	0
Public – Institutional Holders	9819017	4351298	44.31	1511149	2840149	34.73	65.27
Public – Others	12938320	3805338	29.41	3764805	40533	98.93	1.07
Total	39794140	25193439	63.31	22312757	2880682	88.57	11.43

Annual General Meeting For The Financial Year 2014-15

Day and Date	Friday, 7 th August, 2015	
Time	11.30 a.m.	
Venue	Jainam Banquet Hall, Jainam Arcade, BTM Compound, 100 L.B.S Road, Bhandup (West), Mumbai 400078.	
Book Closures date for dividend	01/08/2015 to 07/08/2015 (both days inclusive)	
Last date of receipt of Proxy Forms	05/08/2015	
Financial Calendar (Tentative)	First Quarter Results	07/08/2015
	Second Quarter & Half Yearly Results	On or before 15 th November, 2015
	Third Quarter & Nine months Results	On or before 14 th February, 2016
	Fourth Quarter and Annual Results	On or before 15 th May, 2016

Dividend

The Board of Directors at their meeting held on 13/05/2015 recommended final dividend of ₹2.05 (20.5%) per equity shares, subject to approval of the Shareholders at the Ensuing Annual General Meeting. The Dividend shall be paid to those members whose names appear on Company's Registrar of Members as on 31/07/2015 in respect of Physical Shareholders. In respect of Demat Shareholders dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL / CDSL as of that date. The dividend if declared at the Annual General Meeting shall be paid on or after 10/08/2015.

Dividend History of the Company – The table below highlights the history of Dividend declared by the Company.

Sr. No	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share (in ₹)
1	Dividend 2010-11	15/09/2011	0.40
2	Dividend 2011-12	14/09/2012	0.45
3	Interim Dividend 2012-13	02/11/2012	1.00
4	2 nd Interim Dividend 2012-13	15/05/2013	1.00
5	Interim Dividend 2013-14	14/11/2013	1.00
6	2 nd Interim Dividend 2013-14	14/05/2014	1.25
7	Interim Dividend 2014-15	12/11/2014	0.60

Unclaimed Share certificates / Dividend – There are no unclaimed share certificates / dividend.

Distribution of Shareholding as of 31st March, 2015

Range of equity shares held	No. of holders	% of shareholders	No. of shares held	% of capital
01-5000	10083	84.53	1443456	3.63
5001 – 10000	879	7.37	714721	1.80
10001 - 20000	527	4.42	756905	1.90
20001 - 30000	129	1.08	327278	0.82
30001 - 40000	69	0.58	248462	0.62
40001 - 50000	60	0.50	284858	0.72
50001 - 100000	75	0.63	528340	1.33
100001 & above	107	0.90	35490120	89.18
Total	11929	100.00	39794140	100.00

Category of Shareholders as on 31st March, 2015

Category	No. of shares held	% to total
Promoter	17036803	42.81
Other Directors and their relatives	1918251	4.82
Mutual Funds	662685	1.67
Banks, Financial Institutions, Insurance Companies	13720	0.03
Foreign Institutional Investors (FII's)	8441136	21.21
Domestic Companies	2293876	5.76
Indian Public	8271483	20.79
Non Resident Indians / Overseas Corporate bodies / Foreign Corporate Bodies (NRI's / OCBS / FCBs)	1156186	2.91
Total	39794140	100.00

Dematerialization of shares:

Category	Number of shares	% of total shares	Number of shareholders	% of shareholders
Electronic Form	39676770	99.71	11874	99.54
Physical Form	117370	0.29	55	0.46
Total	39794140	100.00	11929	100.00

Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total listed and issued capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The Audit conforms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in Dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Top 10 shareholders as on 31st March, 2015 other than Promoter / Promoter group is as under:

Sr. No	Name of the Shareholder	No. of shares held	% of holding
1	India Max Investment Fund Limited	1980000	4.9756
2	Banyantree Growth Capital II L.L.C	1800000	4.5233
3	Chhaya Satyanand Shastri	1717551	4.3161
4	Kotak Mahindra (International) Limited	1005000	2.5255
5	Avendus India Opportunities Fund III	912961	2.2942
6	Ashmore Sicav Indian Small-Cap Equity Fund	875271	2.1995
7	Grandeur Peak Emerging Markets Opportunities Fund	843998	2.1209
8	Grandeur Peak Global Reach Fund	808028	2.0305
9	Grandeur Peak Global Opportunities Fund	587689	1.4768
10	IDBI Trusteeship Services Limited	566822	1.4244

Details of Shares listed of Stock Exchanges as on 31st March, 2015 is as under

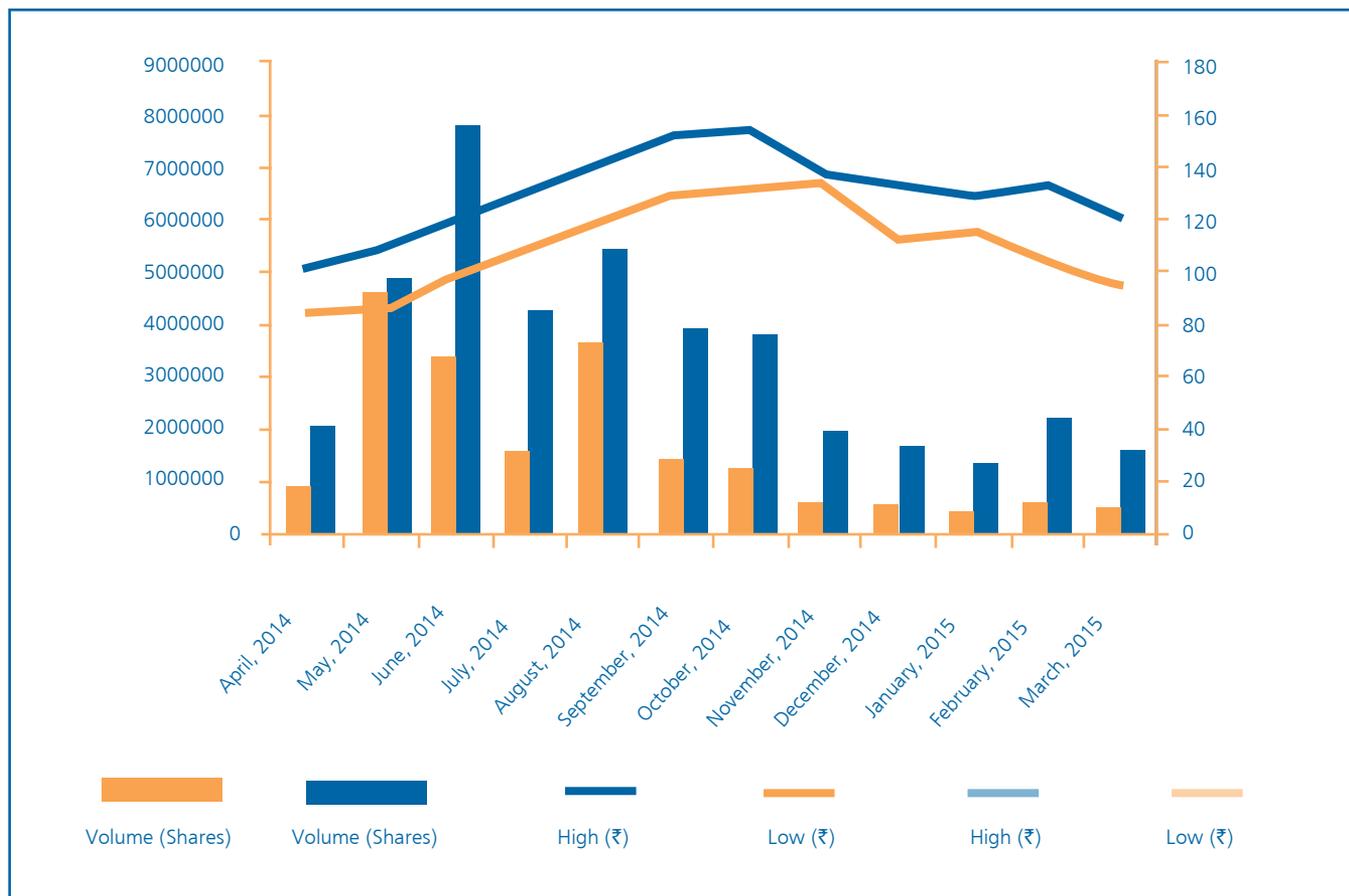
Listing on Stock Exchange	The BSE Limited (BSE) The National Stock Exchange of India Limited (NSE) The Company has paid the annual listing fees for the period April 1, 2015 to March 31, 2016 to both the Stock exchanges
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Stock Code	BSE 534312	NSE MTEDUCARE
ISIN Number of the Equity	INE472M01018	
Shares having nominal value of ₹10/-		

Share Price Data

The high and low prices and the volume of the Company's equity shares (of face value of ₹10/- each) on The BSE Limited (BSE) and on The National Stock Exchange of India Ltd. (NSE) during each month in the financial year 2014-15 were as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Shares)	High (₹)	Low (₹)	Volume (Shares)
Apr, 2014	101.50	85.00	936772	101.50	85.00	2078625
May, 2014	109.80	87.50	4620653	109.45	87.00	4869063
Jun, 2014	122.00	100.45	3388529	122.00	100.00	7703493
Jul, 2014	133.65	110.10	1608420	133.90	110.00	4248912
Aug, 2014	142.15	120.60	3627157	143.95	121.00	5432712
Sep, 2014	152.85	130.00	1397650	152.70	130.00	3925842
Oct, 2014	154.90	133.15	1229047	154.75	133.05	3788689
Nov, 2014	138.20	134.00	613202	137.90	133.80	1932865
Dec, 2014	132.95	112.55	530221	133.50	112.80	1621099
Jan, 2015	130.15	116.00	393678	130.00	116.25	1335628
Feb, 2015	133.00	104.40	619285	133.15	103.65	2236661
Mar, 2015	122.00	96.30	445456	122.00	96.20	1586558



Means of Communication

- a. The Unaudited quarterly /half yearly results are announced within forty-five days from the close of the quarter. The audited annual results are announced within sixty days from the closure of financial year as per the requirement of the listing Agreement with the Stock Exchanges.
- b. The approved financial results are forthwith sent to the Stock Exchanges and are published in English and regional language newspapers within forty-eight hours of the approval thereof. At present the same are not sent to the shareholders separately.
- c. The Company's financial results and official press releases are displayed on the Company's website www.mteducare.com under the investors section.
- d. Any presentations made to the Institutional Investors and analysts are also posted on the Company's website.
- e. Management Discussion and Analysis forms part of the Annual Report, which is sent to the Shareholders of the Company.
- f. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz, The BSE Limited and the National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submission through BSE's BSE Listing Centre. Similarly, the said information is also filed electronically with NSE through NSE's NEAPS portal.

Share Transfer System

The transfer of Shares in Physical form is processed and completed by Registrar & transfer Agents within a period of seven days from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In compliance with the Listing Agreement, a practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares in electronic form is also available with the Depository Participant as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from Company's Registrar and Share Transfer Agents.

Electronic Clearing Services

The Securities and Exchange Board of India (SEBI) had made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to member's bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available dividend warrant will be issued to the member. The Company complies with the SEBI requirements.

Service of documents through electronic mode

As a part of Green initiatives, the member who wish to receive the notices / documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited.

Address for Correspondence

Compliance Officer	Registrar and Share Transfer Agents
Ashwin M.Patel MT Educare Limited 220, 2 nd Floor, "FLYING COLORS" Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai 400 080.	Link Intime India Private Limited (Unit – MT Educare Limited) C-13, Pannalal Silk Mill Compound L.B.S Marg, Bhandup (West) Mumbai 400 078.

Auditor's Certificate regarding compliance of Corporate Governance

To,
The Members of
MT Educare Limited

We have examined the compliance of conditions of corporate governance by MT Educare Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accounts of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **Shaparia Mehta & Associates LLP**
Chartered Accountants
Firm Reg No. 112350W/W-100051

Sanjiv Mehta
Partner
Membership No. 043950

Place: Mumbai
Date: May 13, 2015

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2015.

Place: Mumbai
Date: May 13, 2015

For MT Educare Limited
Mahesh R. Shetty
Chairman and Managing Director

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on Financial Statements of the Company:

(Pursuant to Clause No. 49 (IX) of the Listing Agreement)

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : May 13, 2015

Mahesh R. Shetty
Chairman & Managing Director

Yagnesh Sanghrajka
Chief Financial Officer

Independent Auditor's Report

To the Members of MT Educare Limited.

1. Report on the Financial Statements

We have audited the accompanying financial statements of MT Educare Limited, which comprise the Balance Sheet as at 31st March, 2015, Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

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

3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

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

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer note no. 26.1.1 to the financial statements.
 - ii. The Company has made provision as required under the applicable law or accounting standards,

for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

For **Shaparia Mehta & Associates LLP**
Chartered Accountants
(Firm's Registration No.- 112350W / W-100051)

Sanjiv Mehta
Partner
Membership No.-034950

Place: Mumbai
Date: May 13, 2015

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i. (a) The Company has maintained location wise records of fixed assets in terms of value and quantity.
- (b) All fixed assets have not been physically verified by the management during the year but there is an annual programme of verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- ii. (a) As explained to us by the Management, the production/making of content requires various types of media to store the same. The Management has physically verified such media CDs/ pen-drive/ SD Cards/ Tablets on which content is stored, at year end and we have relied on the certificate issued by the Management for the physical count.
- (b) The procedure for physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) The principal amount and interest thereon are receivable on demand at the discretion of the company. In our opinion and according to the information and explanation given to us, there is no irregularity found in receipt of the principal and interest in current reporting period.
 - (b) In respect of the said loans and interest thereon, there are no overdue amounts of more than Rupees One lakh.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, for the purchase and sale of inventories and for the sale of services. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas.
- v. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax/ Value Added Tax, Service Tax and material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Wealth Tax, Customs Duty and Excise Duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax/ Value Added Tax, Service Tax and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) Details of dues of income tax which have not been deposited as on March 31, 2015 on account of any dispute are given below:

₹ in lakhs

Nature of Statute	Nature of Dues	Amount Involved	Period to which the amount relates	Forum where the dispute is pending
The Income-Tax Act, 1961	Income Tax	57.48	A.Y. 2007-08	Rectification pending before A.O.
The Income-Tax Act, 1961	Income Tax	9.95	A.Y. 2010-11	ACIT
The Income-Tax Act, 1961	Income Tax	1.03	A.Y. 2011-12	ACIT

- (c) The Company was not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. The Company has no accumulated losses as on 31st March, 2015. The Company has not incurred any cash losses in the Current financial year and in the immediately preceding financial year.

- ix. Based on our audit procedures and on the information and explanation given to us, in our opinion the Company has not defaulted in repayment of dues to a bank as at the Balance sheet date and did not have any amount outstanding to financial institutions or debenture holders.
- x. The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- xi. The Company has raised term loans during the year and the same has been applied for the purposes for which they were raised.
- xii. During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud on or by the Company has been noticed by us or reported by the management.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

(Firm's Registration No. 112350W / W-100051)

Sanjiv Mehta

Partner

Membership No. 034950

Place: Mumbai

Date: May 13, 2015

Balance Sheet

AS AT 31ST MARCH, 2015

₹ in lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,979.41	3,978.22
(b) Reserves and surplus	4	8,604.60	7,414.65
(c) Money received against share warrants		-	-
		12,584.01	11,392.87
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	5	714.42	300.38
(d) Long-term provisions	6	86.21	74.69
		800.63	375.07
4 Current liabilities			
(a) Short-term borrowings	7	495.40	193.45
(b) Trade payables	8	341.70	312.04
(c) Other current liabilities	9	3,381.51	3,503.68
(d) Short-term provisions	10	2,926.10	2,381.45
		7,144.71	6,390.62
TOTAL		20,529.35	18,158.56
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.1	4,011.22	8,056.71
(ii) Intangible assets	11.2	687.53	492.59
(iii) Capital work-in-progress	11.3	132.99	511.31
(iv) Intangible assets under development	11.4	266.82	96.95
(v) Fixed assets held for sale		-	-
		5,098.56	9,157.56
(b) Non-current investments	12	1,723.96	1,957.40
(c) Deferred tax assets (net)	26.6	649.21	465.70
(d) Long-term loans and advances	13	7,873.71	1,916.42
(e) Other non-current assets	14	-	73.58
		15,345.44	13,570.66
2 Current assets			
(a) Current investments	15	-	657.16
(b) Inventories		32.52	5.35
(c) Trade receivables	16	2,157.21	909.99
(d) Cash and Cash Equivalents	17	1,245.54	891.87
(e) Short-term loans and advances	18	1,664.32	2,098.96
(f) Other current assets	19	84.31	24.57
		5,183.91	4,587.90
TOTAL		20,529.35	18,158.56

See accompanying notes forming part of the financial statements

1 to 26

In terms of our report attached.

For and on behalf of the Board of Directors

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

Mr. Mahesh Shetty
Chairman & Managing Director

Dr. Chhaya Shastri
Director

Sanjiv Mehta

Partner

Membership No. : 034950

Mr. Yagnesh Sanghrajka
Chief Financial Officer

Mr. Ashwin Patel
Company Secretary

Place : Mumbai

Dated : May 13, 2015

Statement of Profit & Loss Account

FOR THE YEAR ENDED ON 31st MARCH, 2015

₹ in lakhs

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
1 Fees	20	17,992.69	17,647.07
Operating income	20	1,913.95	631.46
Revenue from operations (net)		19,906.64	18,278.53
2 Expenses			
Purchase of Traded Goods		86.93	22.76
Change in Inventories		(27.17)	(0.96)
Direct Expenses	21	9,613.02	8,817.87
Personnel	22	2,553.06	2,443.62
Other Expenses	23	3,225.45	2,742.15
TOTAL		15,451.29	14,025.44
3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		4,455.35	4,253.09
4 Finance costs	24	409.88	-
5 Depreciation and amortisation expense	11	828.47	1,205.08
6 Other income	25	706.21	264.10
7 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4 - 5 + 6)		3,923.21	3,312.11
8 Exceptional items		-	-
9 Profit / (Loss) before extraordinary items and tax (7 + 8)		3,923.21	3,312.11
10 Extraordinary items		-	-
11 Profit / (Loss) before tax (9 + 10)		3,923.21	3,312.11
12 Tax expense:			
(a) Current tax expense for current year		1,279.28	1,158.83
(b) Current tax expense relating to prior years		41.50	9.15
(c) Net current tax expense		1,320.78	1,167.98
(d) Deferred tax		(183.51)	(55.23)
		1,137.27	1,112.75
13 Profit / (Loss) for the period (11-12)		2,785.94	2,199.36
14 Prior Period Items		-	-
15 Profit / (Loss) for Appropriation (13 + 14)		2,785.94	2,199.36
16.i Earnings per share (of ₹10 each):			
(a) Basic	26.5.1	7.00	5.53
(b) Diluted	26.5.2	7.00	5.53
16.ii Earnings per share (excluding extraordinary items) (of ₹ 10 each):			
(a) Basic	26.5.1	7.00	5.53
(b) Diluted	26.5.2	7.00	5.53
See accompanying notes forming part of the financial statements	1 to 26		

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

Sanjiv Mehta

Partner

Membership No. : 034950

Place : Mumbai

Dated : May 13, 2015

For and on behalf of the Board of Directors

Mr. Mahesh Shetty

Chairman & Managing Director

Dr. Chhaya Shastri

Director

Mr. Yagnesh Sanghrajka

Chief Financial Officer

Mr. Ashwin Patel

Company Secretary

Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014		
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	3,923.21	3,312.11		
Adjustments for:				
Depreciation and amortisation	828.47	1,205.08		
Expense on employee stock option scheme	0.04	2.01		
Interest income	(628.68)	(163.51)		
Finance Cost	409.88	-		
Dividend income	(22.35)	(63.45)		
Net (gain) / loss on sale of investments	(24.44)	(12.99)		
Net (gain) / loss on sale of fixed assets	104.62	65.39		
Amount Written Off	22.84	(8.38)		
Net unrealised exchange (gain) / loss	(1.32)	689.06	(8.19)	1,015.96
Operating cash flow before working capital changes	4,612.27	4,328.07		
Changes in working capital:				
(Increase)/Decrease in Trade receivables	(1,247.23)	66.28		
(Increase)/Decrease in Loans and advances and others	(1,034.60)	(480.08)		
(Increase)/Decrease in Inventories	(27.17)	(0.96)		
Increase/(Decrease) in Trade payables	29.66	109.43		
Increase/(Decrease) in Other Liabilities & Provisions	200.37	(2,078.97)	(1,493.27)	(1,798.60)
	2,533.30	2,529.47		
Cash flow from extraordinary items	-	-		
Cash generated from operations	2,533.30	2,529.47		
Net income tax (paid) / refunds	(1,130.66)	(1,082.98)		
Net cash flow from / (used in) operating activities (A)	1,402.65	1,446.49		
B. Cash flow from investing activities				
Proceeds from Sale of Fixed Assets	5504.74	8.19		
Capital expenditure on fixed assets, including capital advances (Net of proceeds on sale)	(2,596.78)	(2,210.31)		
Sale of Current investments not considered as Cash and cash equivalents	31,202.98	22,897.80		
Purchase of Current investments not considered as Cash and cash equivalents	(30,520.18)	(22,372.01)		
Purchase of long-term investments				
- Equity Shares in Subsidiaries (adjusted for advances)	(96.56)	(600.00)		
- Debentures in Subsidiaries	330.00	(40.00)		
Movement in Loans & Advances (Net)	(4,555.11)	(163.78)		
Loans given to subsidiaries	(436.08)	(229.25)		
Loans given to others	(6,213.52)	(59.57)		
Loan repaid back by subsidiaries	378.10	110.46		
Loan repaid back by others	1,716.39	14.58		
Interest received on debentures/fixed deposits	635.74	118.30		
Dividend on MF received	22.35	63.45		
Net cash flow from / (used in) investing activities (B)	(72.81)	(2,298.36)		

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
C. Cash flow from financing activities		
Proceeds from issue of equity shares	1.19	23.43
Security Deposit To Stock Exchanges	-	99.00
Proceeds from long term borrowings	4,500.00	-
Repayment of long term borrowings	(4,500.00)	-
Fresh of other short-term borrowings	495.40	201.93
Repayment of other short-term borrowings	(193.45)	(8.48)
Finance Cost	(409.88)	-
Dividend paid	(736.20)	(795.64)
Tax on dividend	(133.34)	(135.22)
Cash flow from extraordinary items	-	(614.98)
Net cash flow from / (used in) financing activities (C)	(976.28)	(614.98)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	353.56	(1,466.86)
Cash and cash equivalents at the beginning of the year	865.67	2,324.34
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	1.32	8.19
Cash and cash equivalents at the end of the year	1,220.54	865.67
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents as per Balance Sheet (Refer Note 17)	1,245.54	891.87
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	25.00	26.20
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	1,220.54	865.67
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
Cash and cash equivalents at the end of the year *	1,220.54	865.67
* Comprises:		
(a) Cash on hand	12.70	22.14
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	947.41	328.52
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	260.43	515.01
	1,220.54	865.67

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

For and on behalf of the Board of Directors

Mr. Mahesh Shetty
Chairman & Managing Director**Dr. Chhaya Shastri**
Director**Sanjiv Mehta**

Partner

Membership No. : 034950

Mr. Yagnesh Sanghrajka
Chief Financial Officer**Mr. Ashwin Patel**
Company Secretary

Place : Mumbai

Dated : May 13, 2015

Notes Forming Part of Financial Statements

1 Corporate information

MT Educare Limited (earlier MT Educare Private Limited) ('MTEL' or 'the Company') is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

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

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

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

All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities into current and non current.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and the result of operations during the reporting period. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Cash and cash equivalents

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

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash

nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

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

Depreciation on leasehold improvements is provided on useful life of 8 years. During the year ended March, 2015, the company has reassessed the useful lives of the fixed assets in line with useful lives mentioned in Schedule II to the Companies Act, 2013 except for air-conditioners and computer hardware where the management believes the revised useful life of these assets correctly reflect the periods over which the assets are expected to be used. Useful life for Air-conditioners and Computer hardware is 6 and 4 years respectively. The Company has also reviewed the depreciation policy and effective April 01, 2014, all fixed assets will be depreciated using the Straight Line method from the Written Down Value method used earlier. Amortization of the intangible assets is provided on pro-rata basis on Straight Line Method based on management's estimate of useful life of the assets (i) A period of 3 years on non-competee fees and Technology Aided Teaching (TAT). (ii) A period of 3 years on goodwill, based on management's current estimate of useful life of the asset. (iii) A period of 5 years on ERP - SAP Software. (iv) A period of 5 years on purchase of License for Online teaching. (v) A period of 3 years for content.

2.6 Impairment of Assets

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

2.7 Revenue recognition

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

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

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

The Company sells "Robomate", digitized content (recorded lectures of expert faculty, notes, high-end animation and question / answers) online and/or offline through home installations/pen drive/ SD card/ Tablet. Sales price is inclusive of Robomate and all hardware cost. Royalty Income is received from Chetana Publications Private Limited (CPPL) on their external Master KEY sales.

2.8 Other income

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

2.9 Fixed Assets and Capital Work In Progress

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

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

Capital Work-In-Progress are assets not ready for the intended use as at the Balance Sheet date and include assets at new centres which have not commenced operations till 31st March 2015.

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

2.10 Intangible assets

An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where the cost can be reliably ascertained.

Intangible asset are stated at cost of acquisition less accumulated amortization.

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

2.11 Foreign currency transactions and translations

Initial recognition

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions.

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

2.12 Government grants

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

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

2.13 Investments

Long term investments are valued at cost with an appropriate provision for permanent diminution in value, if any. Investment that is readily realizable and is intended to be held for not more than one year is valued at lower of cost or realizable value.

2.14 Employee benefits

A. Provident Fund

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

Defined contribution plans

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

B. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Company makes annual contributions, premiums in respect of all qualifying employees to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment in accordance with the Payment of Gratuity Act, 1972. The present value of the

obligation under such defined benefit plan is determined based on the actuarial valuation at year end, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur. The yearly premium paid to LIC of India is charged to Profit & Loss Account of the year in which it becomes payable.

C. Leave Entitlement

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

2.15 Segment reporting

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

2.16 Leases

Operating Leases

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased premises

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

2.17 Earnings per share

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

2.18 Taxes on income

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

2.19 Provisions and contingencies

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

2.20 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
(a) Authorised				
Equity shares of ₹10 each	42,000,000	4,200.00	42,000,000	4,200.00
(b) Issued				
Equity shares of ₹10 each	39,794,140	3,979.41	39,782,187	3,978.22
(c) Subscribed and fully paid up				
Equity shares of ₹10 each	39,794,140	3,979.41	39,782,187	3,978.22
Total	39,794,140	3,979.41	39,782,187	3,978.22

- 3.1 The company has only one class of equity shares having a face value of ₹10 each. Each holder of equity shares is entitled to one vote per share. Dividend right is in proportion of number of shares held.
- 3.2 In the event of liquidation of the company, the holders of equity shares shall be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of equity shares held by the shareholders.
- 3.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Opening Balance	39,782,187	3,978.22	39,547,872	3,954.79
Add:				
ESOP (Refer note 3.3.1)	11,953	1.19	234,315	23.43
Fresh Issue via IPO	-	-	-	-
Closing Balance	39,794,140	3,979.41	39,782,187	3,978.22

3.3.1 The Company has issued 11,953 equity shares to its employees on shares vested as on May 14, 2014 under ESOP-II

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

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahesh R. Shetty	17,036,803	42.81%	18,036,803	45.34%

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

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (Refer note 3.5.1)	33,310,080	34,177,530
Shares bought back	-	-

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

4. Reserves and surplus

		₹ in lakhs	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
(a) Securities premium account			
Opening balance	3,166.30	3,099.07	
Add : Premium on shares issued during the year	3.43	67.23	
Closing balance	3,169.73	3,166.30	
(b) Share options outstanding account			
Opening balance	3.43	71.01	
Add: Amounts recorded on grants/cancellations during the year	-	(0.35)	
Less: Written back to Statement of Profit and Loss during the year	-	0.00	
Transferred to Securities premium account	3.43	67.23	
	-	3.43	
Less: Deferred Stock Compensation Expense	-	(0.04)	
Closing Balance	-	3.39	
(c) General reserve			
Opening balance	4,244.96	3,093.01	
Add: Transferred from surplus in Statement of Profit and Loss	1,189.91	1,151.95	
Closing balance	5,434.87	4,244.96	
(d) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	-	-	
Add: Profit / (Loss) for the year	2,785.94	2,199.36	
Add: Amounts transferred from reserves	-	-	
Less: Interim dividend	238.76	895.26	
Final Dividend	816.33	-	
Tax on interim / final dividend	212.02	152.15	
Transitional Provision Depreciation	328.92	-	
Transferred to:			
General reserve	1,189.91	1,151.95	
Closing balance	-	-	
Total	8,604.60	7,414.65	

4.1 The Company has during the year declared an interim dividend of ₹0.60 and final dividend of ₹2.05 amounting to ₹286.49 lakhs and ₹979.55 lakhs (inclusive of dividend distribution tax).

5. Other long-term liabilities

		₹ in lakhs	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
(i) Advance Fees	714.42	300.38	
Total	714.42	300.38	

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

5.2 Please refer Note 9.1

6. Long-term provisions

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
<u>Provision for employee benefits:</u>		
(i) Provision for Compensated Absences	64.36	56.40
(ii) Provision for Gratuity (net)	21.85	18.29
Total	86.21	74.69

7. Short Term Borrowings

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
<u>Loans repayable on demand</u>		
(a) Secured loans from Banks	495.40	-
(b) From Other Parties	-	-
<u>From related parties (Note 7.1)</u>		
Secured	-	-
Unsecured	-	193.45
Total	495.40	193.45

7.1 Secured Loans from Banks referred above to the extent of:

- (a) ₹ 495.40 lakhs (Previous Year ₹ NIL) are secured by exclusive charge on current assets & moveable fixed assets of the company.

7.2 Details of loans and advances from related parties:

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
Lakshya Educare Private Limited (Subsidiary)	-	193.45
	-	193.45

8 Trade payables

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
<u>Trade payables:</u>		
(a) Acceptances	-	-
(b) <u>Other than Acceptances</u>		
Visiting Faculty Fees	341.70	312.04
Total	341.70	312.04

9. Other current liabilities

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
(a) Advances from Customers	2,637.69	2,793.19
(b) Outstanding Expenses	308.18	248.56
(c) Other payables		
(i) Statutory Remittances	0.53	128.23
(ii) Capital Expenditure	430.06	328.86
(iii) Others	5.05	4.84
Total	3,381.51	3,503.68

9.1 Advance fees figure is net of ₹ 813 lakhs of student debtors for ongoing and future courses in 2014-15 and ₹ 740 lakhs in 2013-14.

10. Short-term provisions

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for Compensated Absences	19.24	17.56
(ii) Provision for gratuity (net)	110.54	81.99
	129.78	99.55
(b) Provision - Others:		
(i) Provision for Expenses	537.49	546.70
(ii) Interim Dividend	-	497.44
(iii) Final Proposed Dividend	816.33	-
(iv) Dividend Distribution Tax	163.22	84.54
(v) Provision for IncomeTax	1,279.28	1,153.22
	2,796.32	2,281.90
Total	2,926.10	2,381.45

12. Non-current investments

₹ in lakhs

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
(a) Investment in equity instruments						
(i) of subsidiaries						
62,000 Equity Shares of ₹10 each fully paid up of Chitale's Personalised Learning Private Limited. (Prev. Yr. 41,633 Equity Shares of ₹10 Each)	-	180.00	180.00	-	180.00	180.00
10,000 Equity Shares of ₹10 each fully paid up of MT Education Services Private Limited. (Prev. Yr. 10,000 Equity Shares of ₹10 Each)	-	1.19	1.19	-	1.19	1.19
5,27,560 Equity Shares of ₹10 each fully paid up of Lakshya Forum for Competitions Private Limited. (Prev. Yr. 2,69,506)	-	1,295.71	1,295.71	-	1,200.00	1,200.00
10,000 Equity Shares of ₹10 each fully paid up of Lakshya Educare Pvt. Ltd. (Prev. Yr. 9,000 Equity Shares of ₹10 Each)	-	1.00	1.00	-	0.90	0.90
7500 Equity Shares of ₹10 each fully paid up of Sri Gayatri Educational Society Pvt. Ltd. (Prev. Yr. 0 Equity Shares of ₹10 Each)	-	0.75	0.75	-	-	-
(ii) of other entities						
1,250 Equity Shares of ₹25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited (Prev. Yr. 1,250 Equity Shares of ₹25 Each)	-	0.31	0.31	-	0.31	0.31
	-	1,478.96	1,478.96	-	1,382.40	1,382.40
(b) Investment in debentures or bonds						
(i) of subsidiaries						
6% NCD at ₹1,000 each of MT Education Services Private Limited (Prev. Yr. 33,000 6% NCD of ₹1,000 each)	-	-	-	-	330.00	330.00
24,500 6% NCD of ₹1,000 each of Lakshya Forum for Competitions Private Limited (Prev. Yr. 24,500 6% NCD of ₹1,000 each)	-	245.00	245.00	-	245.00	245.00
	-	245.00	245.00	-	575.00	575.00
Total	-	1,723.96	1,723.96	-	1,957.40	1,957.40
Less: Provision for diminution in value of investments			-			-
Total			1,723.96			1,957.40
Aggregate amount of quoted investments			-			-
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			1,723.96			1,957.40

13. Long-term loans and advances

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(a) Capital Advances	63.19	72.96
(b) Security deposits (Premises) (Refer note 13.1)	2,279.86	1,501.41
(c) Security deposits (Others)	26.51	89.04
(d) Loans and advances to related parties (Refer note 13.2)	239.85	4.79
(e) Loans and advances to others	5,150.10	142.65
(f) Advance Income Tax	114.20	105.57
Total	7,873.71	1,916.42

13.1 The company, on 21st March 2015, entered into a sale and lease back arrangement of its Pre University (PU) Campus situated in Mangalore, Karnataka. The deal was signed for a total sale consideration of ₹ 5500 lakhs which was received before 31st March 2015. The Campus is occupied by the Company and MT Educare Charitable Trust and the lease rent shall be borne proportionately by the respective entities. The agreement is for a period of 15 years. The Company has paid a security deposit of ₹660 lakhs against the rental obligation.

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

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
MT Education Services Private Limited (Subsidiary)	30.00	4.79
Lakshya Education Pvt. Ltd. (Subsidiary)	98.35	-
Lakshya Forum for Competitions Pvt. Ltd. (Subsidiary)	109.01	-
Sri Gayatri Educational Services Pvt. Ltd. (Subsidiary)	2.50	-
Total	239.85	4.79

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

14. Other non-current assets

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(a) Interest accrued on investments, loans & advances (Refer Note 14.1)	-	73.58
Total	-	73.58

14.1 Other Non Current Assets includes amount due from:

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
MT Education Services Private Limited (Subsidiary)	-	54.04
Lakshya Forum for Competitions Private Limited (Subsidiary)	-	19.54
Total	-	73.58

15. Current investments

₹ in lakhs

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value, unless otherwise stated)						
Investment in mutual funds						
Reliance Liquid Plan - TP - IP - DDR	-	-	-	557.16	-	557.16

₹ in lakhs

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Reliance Dynamic Bond Fund	-	-	-	100.00	-	100.00
Total - Current investments	-	-	-	657.16	-	657.16
15.1 Aggregate amount of quoted investments			-			657.16
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			-			-
Aggregate provision for diminution (write down) in the value of other current investments			-			-

16. Trade receivables

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	485.76	431.57
Doubtful	83.55	43.19
	569.31	474.76
Less: Provision for doubtful trade receivables	83.55	43.19
	485.76	431.57
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,671.45	478.42
Doubtful	43.81	91.43
	1,715.26	569.85
Less: Provision for doubtful trade receivables	43.81	91.43
	1,671.45	478.42
Total	2,157.22	909.99

16.1 Trade receivables include debts due from:

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
Chitale's Personalised Learning Pvt. Ltd. (Subsidiary)	-	30.77
Lakshya Educare Pvt. Ltd. (Subsidiary)	223.95	76.78
Lakshya Forum for Competitions Pvt. Ltd. (Subsidiary)	-	36.40
	223.95	143.95

16.2 Please refer Note 9.1

17. Cash and Cash Equivalents

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
(a) Cash on hand	12.70	22.14
(b) Balances with banks		
(i) In current accounts	947.41	328.52
(ii) In deposit accounts held as margin money against guarantee	25.00	25.00
(iii) In deposit accounts	260.43	516.21
(c) Others	-	-
Total	1,245.54	891.87

Balances with banks includes deposits amounting to ₹117.90 lakhs (for previous year ₹516.21 lakhs) which have original maturity more than 12 months.

18. Short-term loans and advances

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
(a) Advances	175.10	125.28
(b) Security deposits (Premises)	99.14	106.67
(c) Security deposits (Others)	141.66	5.49
(d) Loans and advances to employees	14.77	35.52
(e) Loans and advances to others	76.08	605.97
(f) Balances with government authorities	-	27.47
(g) Advance Income Tax / TDS	1,156.86	1,014.77
(h) Loans and advances to related parties (Refer note 18.1)	0.71	177.79
Total	1,664.32	2,098.96

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

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
Lakshya Educare Pvt. Ltd. (Subsidiary)	0.71	-
Lakshya Forum for Competitions Pvt. Ltd. (Subsidiary)	-	177.79
Total	0.71	177.79

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

19. Other current assets

₹ in lakhs

Particulars	As at	As at
	31 March, 015	31 March, 014
(a) Prepaid Expenses	0.37	7.15
(b) Accruals		
(i) VF/AF Salary Recoverable	0.34	0.34
(ii) Interest accrued on investments, loans & advances	83.60	17.08
Total	84.31	24.57

20. Revenue from operations

₹ in lakhs

Particulars	₹ in lakhs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Fees recognised	20,177.00	19,476.18
Less : Discount	(2,014.11)	(1,598.47)
Concession	(170.20)	(230.64)
Total	17,992.69	17,647.07
(b) Other operating revenues		
Government Grants	1,146.52	208.14
Sale of Hardware / Software / Content	289.39	212.81
Others	478.04	210.51
Total	1,913.95	631.46

21. Direct Expenses

₹ in lakhs

Particulars	₹ in lakhs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Rent, Rates & Taxes	2,603.36	2,528.25
Electricity	728.79	668.91
Student Material & Test Expenses	1,608.87	958.00
Student Stipend Expenses (Note 21.1)	2.25	8.17
Bandwidth Charges	14.56	13.69
Visiting Lecturer Fees	4,655.19	4,640.85
Total	9,613.02	8,817.87

21.1

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

22. Employee benefits expense

₹ in lakhs

Particulars	₹ in lakhs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries and wages	2,147.86	2,140.60
Contributions to provident and other funds	186.92	114.72
Expense on employee stock option (ESOP) scheme	0.04	2.01
Temporary Staff Expenses	110.77	81.39
Staff related expenses	107.47	104.90
Total	2,553.06	2,443.62

23 Other expenses

₹ in lakhs		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
ADMINISTRATION EXPENSES		
Payment to Auditors (Note 23.1)	25.67	24.77
Director's Sitting Fees	7.35	6.20
Donation	86.03	86.06
Printing & Stationery	54.70	59.86
Professional fees	504.55	414.23
Bad Debts	100.41	55.35
Provision for Bad & Doubtful Debts	23.29	41.00
Repairs & Maintenance - Others	343.79	271.35
Security Charges	42.70	42.75
House keeping Expenses	112.40	100.51
Telephone & Internet	138.26	139.50
Travelling & Conveyance Expenses	235.26	211.76
Other Administrative Expenses	409.37	235.39
(A)	2,083.78	1,688.73
SELLING EXPENSES		
Advertisement & Publicity	1,047.40	1,038.42
Sales Promotion	94.27	15.00
(B)	1,141.67	1,053.42
Total (A) + (B)	3,225.45	2,742.15

23.1

₹ in lakhs		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Payments to the auditors comprises (net of service tax input credit, wherever applicable):		
As auditors - statutory audit	16.00	16.00
For tax audit	4.50	4.00
For taxation matters & other matters	5.17	4.77
Total	25.67	24.77

24. Finance costs

₹ in lakhs		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest expense on:		
(i) Borrowings	364.38	-
(b) Other borrowing costs (Loan Processing Charges)	45.50	-
Total	409.88	-

25. Other income

Particulars	₹ in lakhs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest income (Refer note 25.1)	628.68	163.51
(b) Dividend income:		
from current investments	22.35	63.45
from non current investments	-	-
(c) Net gain on sale of:		
current investments	24.44	-
long-term investments	-	12.99
(d) Net gain on foreign currency transactions and translation	1.99	23.42
(e) Profit on Sale of Assets (Net of Loss)	22.32	-
(f) Other non-operating income	6.43	0.73
Total	706.21	264.10

25.1

Particulars	₹ in lakhs	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest income comprises:		
Interest from banks on:		
Deposits	21.06	95.72
Interest from Others	607.62	67.79
Total	628.68	163.51

26. Additional information to the financial statements

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

Particulars	₹ in lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Income Tax Demand (Note 26.1.1)	69.63	123.40
(b) Guarantees given by Bank for Govt Project	33.12	25.00
(c) Corporate Guarantee given (Note 26.1.2)	1,800.00	-

26.1.1 The Company has filed appeals or proposes to file appeals with income tax authorities against income tax demand raised/ refund claimed, for several assessment years totalling to ₹ 95.18 lakhs.

26.1.2 Corporate guarantee is given for loan taken by Sri Gayatri Educational Society pursuant to an arrangement entered through company's subsidiary Sri Gayatri Educational Services Pvt Ltd.

26.2 Commitments:

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	374.98	321.57
Intangible assets	44.31	290.64
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments	-	-

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

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

26.4 Disclosure on Foreign Earnings

₹ in lakhs

Sr. No	Particulars	As at	
		31 March, 2015	31 March, 2014
(i)	Foreign Currency Earned	31.14	204.80

26.5 Earning per Share

₹ in lakhs

Particulars	For the year ended	
	31 March, 2015	31 March, 2014
26.5.1 Basic		
Net profit / (loss) for the year from continuing operations	2,785.94	2,199.36
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	2,785.94	2,199.36
Weighted average number of equity shares	39,792,698	39,752,014
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	7.00	5.53

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
26.5.2 Diluted		
Net profit / (loss) for the year from continuing operations	2,785.94	2,199.36
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	2,785.94	2,199.36
Profit / (loss) attributable to equity shareholders (on dilution)	2,785.94	2,199.36
Weighted average number of equity shares for Basic EPS	39,792,698	39,752,014
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	10,578
Weighted average number of equity shares - for diluted EPS	39,792,698	39,762,592
Par value per share	10.00	10.00
Earnings per share, from continuing operations - Diluted	7.00	5.53

26.6 Deferred tax (liability) / asset

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Tax effect of items constituting deferred tax liabilities	-	-
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	73.41	59.23
Provision for doubtful debts / advances	43.29	45.76
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	17.00	18.69
On difference between book balance and tax balance of fixed assets	515.51	342.02
Tax effect of items constituting deferred tax assets	649.21	465.70
Net deferred tax (liability) / asset	649.21	465.70

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

Particulars	During the year ended 31 March, 2015	During the year ended 31 March, 2014
	Options (Numbers)	Options (Numbers)
Option outstanding at the beginning of the year:	11,953	247,485
Granted during the year	26,644	-
Vested during the year	11,953	234,315
Exercised during the year	11,953	234,315
Lapsed during the year	-	1,217
Options outstanding at the end of the year	26,644	11,953
Options available for grant	-	26,644

26.7.2 Expenses arising from stock option plan during the year / period

₹ in lakhs

Particulars	During the year ended 31 March, 2015	During the year ended 31 March, 2014
ESOP 2011-II	0.04	2.01
Total	0.04	2.01

26.8.1 : Information on related party transactions as required by Accounting Standard (AS 18) on Related Party Disclosures for the year ended 31st March, 2015.

₹ in lakhs

Particulars	Subsidiaries		Key Management Personnel		Entities in which KMP / relatives of KMP have significant influence	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Dividend Paid	-	-	347.15	384.44	-	-
Donation Given	-	-	-	-	78.55	85.37
Interest on Debentures	32.45	34.34	-	-	-	-
Interest Paid on Loan	8.56	-	-	-	-	-
Interest Received on Loan	30.93	4.61	-	-	-	-
KMP Remuneration	-	-	225.28	216.33	-	-
Loans and advances given	436.08	233.39	-	-	-	-
Loans and advances given received back	378.11	50.46	-	-	-	-
Loans and advances repaid by Company	193.45	8.48	-	-	-	-
Loans and advances taken	-	201.93	-	-	-	-
Management Fee Income	66.21	84.26	-	-	-	-
Professional Fees Expenses	146.96	-	-	-	96.00	96.00
Rent Expense	-	-	12.04	11.14	112.97	113.41
Rent Income	170.91	100.99	-	-	-	-
Sale of fixed assets	-	15.02	-	-	-	-
Sponsorship Charges	-	-	-	-	-	16.80
<u>Outstanding as at 31st March</u>						
Creditors for Professional Fees	2.98	-	-	-	-	-
Deposit for Premises	-	-	7.47	7.47	41.04	41.04
Interest on Debentures Receivable	-	69.43	-	-	-	-
Interest on loan receivable	7.94	4.15	-	-	-	-
Investment in Debentures	245.00	575.00	-	-	-	-
Investment in Shares	1,478.65	1,382.09	-	-	-	-
Loan given	240.56	182.57	-	-	-	-
Management Fee Income	1.79	60.31	-	-	-	-
Outstanding KMP Remuneration	-	-	14.58	13.66	-	-
Outstanding Professional Fee	3.71	-	-	-	8.09	8.09
Rent Income	223.95	83.64	-	-	-	-
Interest on loan payable	7.71	-	-	-	-	-
Loan Taken	-	193.45	-	-	-	-

26.8.2 Details of related party transactions which are more than 10% of the total transactions of the same type with related parties during the year

Details of Related Parties :

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

₹ in lakhs

Particulars	2014-15	2013-14
Dividend paid to Key Management Personnel		
Mr. Mahesh Shetty	315.18	349.94
Others	31.96	34.50
	347.15	384.44
Donation		
Global Education Trust	78.55	85.37
	78.55	85.37
Interest on Debentures		
Lakshya Forum for Competitions Pvt. Ltd.	31.85	14.54
Others	0.60	19.80
	32.45	34.34
Interest Paid on Loan		
Lakshya Educare Pvt. Ltd.	8.56	-
	8.56	-
Interest Received on Loan		
Lakshya Educare Pvt. Ltd.	3.37	-
Lakshya Forum for Competitions Pvt. Ltd.	26.13	4.61
Others	1.44	-
	30.93	4.61
KMP Remuneration		
Mr. Mahesh Shetty	129.00	129.00
Mr. Yagnesh Sanghrajka	68.00	57.20
Mr. Ashwin Patel	28.28	30.13
	225.28	216.33
Loans and advances given		
Lakshya Educare Pvt Ltd	326.27	-
Lakshya Forum for Competitions Pvt. Ltd.	76.31	232.39
Others	33.50	1.00
	436.08	233.39
Loans and advances given received back		
Lakshya Educare Pvt Ltd	227.22	-
Lakshya Forum for Competitions Pvt. Ltd.	145.09	50.46
Others	5.79	-
	378.11	50.46
Loans and advances repaid by Company		
Lakshya Educare Pvt. Ltd.	193.45	8.48
	193.45	8.48
Loans and advances taken		
Lakshya Educare Pvt. Ltd.	-	201.93
	-	201.93

Particulars	2014-15	2013-14
Management Fee Income		
Chitale's Personalised Learning Pvt. Ltd.	28.46	48.26
Lakshya Forum for Competitions Pvt. Ltd.	36.00	36.00
Others	1.75	-
	66.21	84.26
Professional Fees Expenses		
Chitale's Personalised Learning Pvt. Ltd.	71.61	-
Lakshya Forum for Competitions Pvt. Ltd.	75.34	-
Prosynapse Consultants Pvt. Ltd.	96.00	96.00
	242.96	96.00
Rent Expense		
Mahesh Tutorials Chembur	84.25	85.18
Mahesh Tutorials Mulund	28.73	28.23
Others	12.04	11.14
	125.01	124.55
Rent Income		
Chitale's Personalised Learning Pvt. Ltd.	25.38	24.18
Lakshya Educare Pvt. Ltd.	145.53	76.81
	170.91	100.99
Sale of fixed assets		
Chitale's Personalised Learning Pvt. Ltd.	-	15.02
	-	15.02
Sponsorship Charges		
Global Education Trust	-	16.80
	-	16.80
Outstanding at the end of the year		
Creditors for Professional Fees		
Lakshya Forum for Competitions Pvt. Ltd.	2.98	-
	2.98	-
Deposit for Premises		
Mahesh Tutorials Chembur	29.76	29.76
Mahesh Tutorials Mulund	11.28	11.28
Mr. Mahesh Shetty	7.47	7.47
	48.51	48.51
Interest on Debentures		
Lakshya Forum for Competitions Pvt. Ltd.	-	15.39
MT Education Services Pvt. Ltd.	-	54.04
	-	69.43
Interest on loan receivable		
Lakshya Educare Pvt. Ltd.	3.03	-
Lakshya Forum for Competitions Pvt. Ltd.	3.59	4.15
MT Education Services Pvt Ltd	1.16	-
Others	0.15	-
	7.94	4.15
Investment in Debentures		
Lakshya Forum for Competitions Pvt. Ltd.	245.00	245.00
MT Education Services Pvt. Ltd.	-	330.00
	245.00	575.00

Particulars	2014-15	2013-14
Investment in Shares		
Chitale's Personalised Learning Pvt. Ltd.	180.00	180.00
Lakshya Forum for Competitions Pvt. Ltd.	1,295.71	1,200.00
Others	2.94	2.09
	1,478.65	1,382.09
Loan given		
Lakshya Educare Pvt. Ltd.	99.05	-
Lakshya Forum for Competitions Pvt. Ltd.	109.01	177.78
MT Education Services Pvt. Ltd.	30.00	4.79
Others	2.50	-
	240.56	182.57
Management Fee Income		
Chitale's Personalised Learning Pvt. Ltd.	-	23.91
Lakshya Educare Pvt. Ltd.	1.79	-
Lakshya Forum for Competitions Pvt. Ltd.	-	36.40
	1.79	60.31
Outstanding KMP Remuneration		
Mr. Mahesh Shetty	6.70	6.70
Mr. Yagnesh Sanghrajka	5.96	4.93
Mr. Ashwin Patel	1.92	2.03
	14.58	13.66
Outstanding Professional Fee		
Chitale's Personalised Learning Pvt. Ltd.	3.71	-
Prosynapse Consultants Pvt. Ltd.	8.09	8.09
	11.80	8.09
Rent Income		
Lakshya Educare Pvt. Ltd.	223.95	76.78
Others	-	6.86
	223.95	83.64
Interest on loan payable		
Lakshya Educare Pvt. Ltd.	7.71	-
	7.71	-
Loan Taken		
Lakshya Educare Pvt. Ltd.	-	193.45
	-	193.45

26.9 Lease

₹ in lakhs

Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	As Lessee		
26.9	The Company has entered into operating lease arrangements for certain facilities and Coaching Center premises. The leases are over a period of 2 to 10 years and may be renewed for a further period in mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss	2,548.59	2,400.04

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

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

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

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

Name of the Party	Relationship	Amount Outstanding as on March 31, 2015	Max. Amount Outstanding during the year
MT Education Services Pvt. Ltd	Subsidiary	30.00	30.00
Lakshya Education Pvt. Ltd.	Subsidiary	99.05	99.05
Lakshya Forum For Competition Pvt. Ltd.	Subsidiary	109.01	254.01
Sri Gayatri Educational Services Pvt. Ltd.	Subsidiary	2.50	2.50

26.12.2 Investment in shares of the company by subsidiaries and associates

Nil

26.13 Employee benefit plans

26.13.1 Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹116.29 Lakhs (Year ended 31 March, 2014 ₹ 85.39 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

26.13.2 Defined benefit plans

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

i. Gratuity

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

Particulars	₹ in lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Components of employer expense		
Current service cost	21.94	19.56
Interest cost	15.40	11.48
Expected return on plan assets	(6.27)	(5.53)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	38.93	3.24
Total expense recognised in the Statement of Profit and Loss	69.99	28.75
Actual contribution and benefit payments for year		
Actual benefit payments	12.19	10.50
Actual contributions	37.89	13.01
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(236.09)	(172.41)
Fair value of plan assets	103.70	72.12
Funded status [Surplus / (Deficit)]	(132.39)	(100.29)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(132.39)	(100.29)

₹ in lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
	Gratuity	Gratuity
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	172.41	148.16
Current service cost	21.94	19.56
Interest cost	15.40	11.48
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	38.53	3.71
Past service cost	-	-
Benefits paid	(12.19)	(10.50)
Present value of DBO at the end of the year	236.09	172.41
Change in Fair Value of assets during the year		
Plan assets at beginning of the year	72.12	63.61
Acquisition adjustment	-	-
Expected return on plan assets	6.27	5.53
Actual company contributions	37.89	13.01
Actuarial (gain)/loss	(0.40)	0.47
Benefits paid	(12.19)	(10.50)
Plan assets at the end of the year	103.70	72.12
Actual return on plan assets	5.88	6.01
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	103.70	72.12
Actuarial assumptions		
Discount rate	7.90%	8.93%
Expected return on plan assets	7.90%	8.70%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%
Mortality tables	Indian Assured Lives Mortality(2006-08) Ultimate table.	Indian Assured Lives Mortality(2006-08) Ultimate table.

₹ in lakhs

	Year ended 31 March, 2015	Year ended 31 March, 2014
26.13.3 Actuarial assumptions for long-term compensated absences		
Discount rate	7.90%	8.93%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%

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

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

₹ in lakhs

26.14 Utilisation of IPO Proceeds		
Amount received from IPO	(A)	3,500.00
<u>Deployment of Funds Received from IPO:</u>		
Financing cost of construction of PUC Campus in Karnataka		2,000.00
Establishing New Coaching Centres		307.07
Issue Expenses		353.10
General Corporate Purposes		839.83
Total Deployment of Funds till March 31, 2015	(B)	3,500.00
Balance Amount to be Utilized	(A-B)	-

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

Sanjiv Mehta

Partner

Membership No. : 034950

Place : Mumbai

Dated : May 13, 2015

For and on behalf of the Board of Directors

Mr. Mahesh Shetty

Chairman & Managing Director

Dr. Chhaya Shastri

Director

Mr. Yagnesh Sanghrajka

Chief Financial Officer

Mr. Ashwin Patel

Company Secretary

Independent Auditor's Report

To the Members of MT Educare Limited.

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MT Educare Limited ("the company") and its subsidiaries (the Company and its subsidiaries constitute 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2015, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

3. Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

4. Opinion

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

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the Company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the aforesaid Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors of the Company and the reports of its subsidiary companies incorporated in India, none of the directors of the Company and its subsidiaries, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - refer note no. 25.1.1 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its subsidiary companies incorporated in India.

For **Shaparia Mehta & Associates LLP**
Chartered Accountants
(Firm's Registration No.- 112350W / W-100051)

Sanjiv Mehta
Partner
Membership No.-034950

Place: Mumbai
Date: May 13, 2015

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes subsidiary companies incorporated in India on which the auditors have reported on in accordance with the Order. We have reported on all the five subsidiaries of the company.

- i. (a) The respective entities have maintained location wise records of fixed assets in terms of value and quantity.
- (b) All fixed assets have not been physically verified by the management of the respective entities during the year but there is an annual programme of verification in a phased manner which, in our opinion, is reasonable having regard to the size of the respective entities and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- ii. (a) As explained to us by the Management of the Company and its respective subsidiaries, the production/making of content requires various types of media to store the same. The Management of the respective entities has physically verified such media CDs/ pen-drive/ SD Cards/ Tablets on which content is stored, at year end and we have relied on the certificate issued by the Management of the respective entities for the physical count.
- (b) The procedure for physical verification of inventory followed by the Management of the respective entities is reasonable and adequate in relation to the size of the Group and the nature of the business.
- (c) In our opinion and according to the information and explanations given to us and based on the reports issued in accordance with the Order on the aforesaid subsidiaries, the Company and its aforesaid subsidiaries has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. In respect of the loans, secured or unsecured, granted by the Company and its aforesaid subsidiaries to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) The principal amount and interest thereon are receivable on demand at the discretion of the company and its aforesaid subsidiaries. In our opinion and according to the information and explanation given to us, there is no irregularity found in receipt of the principal and interest in current reporting period.
 - (b) In respect of the said loans and interest thereon, there are no overdue amounts of more than Rupees One lakh.
- iv. In our opinion and according to the information and explanations given to us and based on the reports issued in accordance with the Order on the aforesaid subsidiaries, there is an adequate internal control system commensurate with the size of the Company and its aforesaid subsidiaries and the nature of its business, for the purchase of fixed assets, for the purchase and sale of inventories and for the sale of services. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas.
- v. In our opinion and according to the information and explanations given to us and based on the reports issued in accordance with the Order on the aforesaid subsidiaries, the Company and its aforesaid subsidiaries has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained to the extent applicable to these companies. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

The provision of this clause of the Order is not applicable to any of the aforesaid subsidiaries as the entities are not covered by the Companies (Cost records and Audit) Rules, 2014.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company and its aforesaid subsidiaries, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax/Value Added Tax, Service Tax and material statutory dues have been regularly deposited during the year by the Company and its aforesaid subsidiaries with the appropriate authorities to the extent applicable to these companies.

According to the information and explanations given to us and based on the reports issued in accordance with the Order on the aforesaid subsidiaries, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax/Value Added Tax, Service Tax and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) Details of dues of income tax which have not been deposited as on March 31, 2015 on account of any dispute are given below:

₹ in lakhs

Nature of Statute	Nature of Dues	Amount Involved	Period to which the amount relates.	Forum where the dispute is pending.
The Income-Tax Act, 1961	Income Tax	57.48	A.Y. 2007-08	Rectification pending before A.O.
The Income-Tax Act, 1961	Income Tax	9.95	A.Y. 2010-11	ACIT
The Income-Tax Act, 1961	Income Tax	1.03	A.Y. 2011-12	ACIT

- (c) The Company and its aforesaid subsidiaries was not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

- viii. The Group does not have accumulated losses. The Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and on the information and explanation given to us and based on the reports

issued in accordance with the Order on the aforesaid subsidiaries, in our opinion the respective entities have not defaulted in repayment of dues to a bank as at the Balance sheet date and did not have any amount outstanding to financial institutions or debenture holders.

- x. The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company. According to the information and explanations given to us and based on the reports issued in accordance with the Order on the aforesaid subsidiaries, no subsidiaries have given any guarantees for loans taken by others from banks and financial institutions.
- xi. The Company has raised term loans during the year and the same has been applied for the purposes for which they were raised. According to the information and explanations given to us and based on the reports issued in accordance with the Order on the aforesaid subsidiaries, the entities did not avail any term loan during the year.
- xii. During the course of our examination of the books and records of the Company and its aforesaid subsidiaries and according to the information and explanations given to us, no material fraud on or by the Company and its aforesaid subsidiaries has been noticed by us or reported by the management.

For **Shaparia Mehta & Associates LLP**
Chartered Accountants
(Firm's Registration No. 112350W / W-100051)

Sanjiv Mehta
Partner
Membership No. 034950

Place: Mumbai
Date: May 13, 2015

Consolidated Balance Sheet

AS AT 31st MARCH, 2015

₹ in lakhs

Particulars	Notes	As at 31 March, 2015	As at 31 March, 2014
A EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share capital	3	3,979.41	3,978.22
(b) Reserves and surplus	4	8,593.77	7,217.48
(c) Money received against share warrants		-	-
		12,573.18	11,195.70
2 Share application money pending allotment		-	-
3 Minority Interest		40.26	(66.62)
4 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	25.6	0.27	0.30
(c) Other long-term liabilities	5	714.42	300.38
(d) Long-term provisions	6	148.82	118.13
		863.51	418.81
5 Current liabilities			
(a) Short-term borrowings	7	495.40	-
(b) Trade payables	8	376.79	363.29
(c) Other current liabilities	9	3,839.02	3,951.51
(d) Short-term provisions	10	3,092.71	2,426.05
		7,803.92	6,740.85
TOTAL		21,280.87	18,288.74
B ASSETS			
1. Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11.1	4,309.11	8,271.09
(ii) Intangible assets	11.2	721.51	507.34
(iii) Capital work-in-progress	11.3	132.99	541.07
(iv) Intangible assets under development	11.4	291.92	113.69
(v) Fixed assets held for sale		-	-
(vi) Goodwill on consolidation		1,615.97	1,346.87
		7,071.50	10,780.06
(b) Non-current investments	12	78.46	78.46
(c) Deferred tax assets (net)	25.6	718.53	465.70
(d) Long-term loans and advances	13	7,701.77	1,965.54
		8,498.77	2,509.70
2 Current assets			
(a) Current investments	14	12.70	1,127.99
(b) Inventories		32.52	5.35
(c) Trade receivables	15	2,083.76	890.50
(d) Cash and cash equivalents	16	1,427.99	974.76
(e) Short-term loans and advances	17	2,060.02	1,975.81
(f) Other current assets	18	93.61	24.57
		5,710.61	4,998.98
TOTAL		21,280.87	18,288.74

See accompanying notes forming part of the financial statements

1 to 25

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

Sanjiv Mehta

Partner

Membership No. : 034950

Place : Mumbai

Dated : May 13, 2015

For and on behalf of the Board of Directors

Mr. Mahesh Shetty

Chairman & Managing Director

Dr. Chhaya Shastri

Director

Mr. Yagnesh Sanghrajka

Chief Financial Officer

Mr. Ashwin Patel

Company Secretary

Consolidated Statement of Profit & Loss Account

FOR THE YEAR ENDED ON 31ST MARCH, 2015

₹ in lakhs

Particulars	Notes	For the year ended 31 March, 2015	For the year ended 31 March, 2014
1. Fees	19	20,890.38	19,579.32
Operating income	19	1,808.16	600.95
Revenue from operations (net)		22,698.54	20,180.27
2. Expenses			
Purchase of Traded Goods		97.50	40.21
Change in Inventories		(27.17)	(0.96)
Direct Expenses	20	11,295.86	9,954.77
Personnel	21	2,945.88	2,855.76
Other Expenses	22	3,727.83	3,095.66
Total		18,039.90	15,945.44
3. Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		4,658.64	4,234.83
4. Finance costs	23	401.62	0.75
5. Depreciation and amortisation expense	11	891.33	1,283.62
6. Other income	24	707.92	238.77
7 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4 - 5 + 6)		4,073.61	3,189.23
8. Exceptional items		-	-
9 Profit / (Loss) before extraordinary items and tax (7 + 8)		4,073.61	3,189.23
10. Extraordinary items		-	-
11 Profit / (Loss) before tax (9 + 10)		4,073.61	3,189.23
12 Tax expense:			
(a) Current tax expense for current year		1,384.06	1,158.84
(b) Current tax expense relating to prior years		41.50	10.24
(c) MAT Credit		(4.77)	-
(d) Net current tax expense		1,420.79	1,169.08
(e) Deferred tax		(252.86)	(55.54)
		1,167.93	1,113.54
13 Profit / (Loss) for the year (11-12)		2,905.68	2,075.69
14 Prior Period Items		-	-
15 Profit / (Loss) for Appropriation (13 + 14)		2,905.68	2,075.69
Minority Interest		(66.79)	(27.59)
Profit / (Loss) for Appropriation after minority interest		2,972.47	2,103.28
16 i. Earnings per share (of ₹10 each):			
(a) Basic	25.5.1	7.47	5.29
(b) Diluted	25.5.2	7.47	5.29
ii Earnings per share (excluding extraordinary items) (of ₹10 each)			
(a) Basic	25.5.1	7.47	5.29
(b) Diluted	25.5.2	7.47	5.29
See accompanying notes forming part of the financial statements	1 to 25		

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**
Chartered Accountants
Firm Reg No. : 112350W / W - 100051

Sanjiv Mehta
Partner
Membership No. : 034950

Place : Mumbai
Dated : May 13, 2015

For and on behalf of the Board of Directors

Mr. Mahesh Shetty
Chairman & Managing Director

Mr. Yagnesh Sanghrajka
Chief Financial Officer

Dr. Chhaya Shastri
Director

Mr. Ashwin Patel
Company Secretary

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH, 2015

₹ in lakhs

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		4,073.62		3,189.24
Adjustments for:				
Depreciation and amortisation	891.33		1,283.62	
Expense on employee stock option scheme	0.04		2.01	
Finance costs	401.62		0.75	
Interest income	(591.88)		(129.18)	
Dividend income	(36.16)		(72.44)	
Net (gain) / loss on sale of investments	(40.57)		(12.99)	
Net (gain) / loss on sale of fixed assets	104.62		65.39	
Amount Written Off	22.84		(8.31)	
Net unrealised exchange (gain) / loss	(1.32)	750.52	(8.19)	1,120.66
Operating cash flow before working capital changes		4,824.14		4,309.90
Changes in working capital:				
(Increase) / Decrease in Trade receivables	(1,193.27)		115.17	
(Increase) / Decrease in Loans and advances and others	(1,061.51)		(463.69)	
(Increase) / Decrease in Inventories	(27.17)		(0.96)	
Increase / (Decrease) in Trade payables	13.50		178.62	
Increase / (Decrease) in Other Liabilities & Provisions	293.79	(1,974.66)	(1,377.94)	(1,548.80)
Cash generated from operations		2,849.48		2,761.10
Net income tax (paid) / refunds		(1,147.66)		(1,091.77)
Net cash flow from / (used in) operating activities (A)		1,701.82		1,669.33
B. Cash flow from investing activities				
Proceeds from Sale of Fixed Assets	5,504.74		8.19	
Capital expenditure on fixed assets, including capital advances (Net of proceeds on sale)	(2,760.47)		(2,361.71)	
Sale of Current investments not considered as Cash and cash equivalents	28,774.16		23,881.82	
Purchase of Current investments not considered as Cash and cash equivalents	(27,615.34)		(23,484.65)	
Purchase / Sale of long-term investments				
– Equity Shares in Subsidiaries (adjusted for advances)	(95.71)		(600)	
Movement in Loans & Advances (Net)	(4,832.22)		-	
Interest received on debentures / fixed deposits/Loans	516.05		114.41	
Dividend on MF received	34.41		68.06	
Dividend on Shares received	0.00		1.85	
Net cash flow from / (used in) investing activities (B)		474.38		(2,372.04)

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
C. Cash flow from financing activities		
Proceeds from issue of equity shares	1.44	23.43
Security Deposit To Stock Exchanges	-	99.00
Proceeds from long term borrowings	4,500.00	-
Repayment of long term borrowings	(4,500.00)	-
Fresh of other short-term borrowings	495.40	-
Repayment of other short-term borrowings	-	(106.61)
Finance cost	(401.62)	(0.75)
Dividend paid	(736.20)	(795.64)
Tax on dividend	(133.34)	(135.22)
Cash flow from extraordinary items	-	(915.79)
Net cash flow from / (used in) financing activities (C)	(774.32)	(915.79)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	453.12	(1,618.50)
Cash and cash equivalents at the beginning of the year	948.56	2,419.78
Cash and cash equivalents added on acquisition	-	139.09
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	1.32	8.19
Cash and cash equivalents at the end of the year	1,402.99	948.56
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	1,427.99	974.76
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	25.00	26.20
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16	1402.99	948.56
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	-
Cash and cash equivalents at the end of the year *	1,402.99	948.56
* Comprises:		
(a) Cash on hand	21.36	61.25
(b) Cheques, drafts on hand	6.96	9.89
(c) Balances with banks		
(i) In current accounts	1,105.24	332.66
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	269.43	544.76
(iv) In earmarked accounts	-	-
(d) Others	-	-
(e) Current investments considered as part of Cash and cash equivalents	-	-
	1,402.99	948.56

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

For and on behalf of the Board of Directors

Mr. Mahesh Shetty
Chairman & Managing Director**Dr. Chhaya Shastri**
Director**Sanjiv Mehta**
Partner
Membership No. : 034950**Mr. Yagnesh Sanghrajka**
Chief Financial Officer**Mr. Ashwin Patel**
Company SecretaryPlace : Mumbai
Dated : May 13, 2015

Notes forming part of financial statements

1 Corporate information

MT Educare Limited (earlier MT Educare Private Limited) ('MTEL' or 'the Company') is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

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

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

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

All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. The Company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities into current and non current.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and the result of operations during the reporting period. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Cash and cash equivalents

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

2.4 Cash flow statement

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

2.5 Depreciation and amortisation

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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

Depreciation on leasehold improvements is provided on useful life of 8 years. During the year ended March, 2015, the company has reassessed the useful lives of the fixed assets in line with useful lives mentioned in Schedule II to the Companies Act, 2013 except for air-conditioners and computer hardware where the management believes the revised useful life of these assets correctly reflect the periods over which the assets are expected to be used. Useful life for Air-conditioners and Computer hardware is 6 and 4 years respectively. The Company has also reviewed the depreciation policy and effective April 01, 2014, all fixed assets will be depreciated using the Straight Line method from the Written Down Value method used earlier.

Amortization of the intangible assets is provided on pro-rata basis on Straight Line Method based on management's estimate of useful life of the assets

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

2.6 Impairment of Assets

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

2.7 Revenue recognition

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

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

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

The Company sells "Robomate", digitized content (recorded lectures of expert faculty, notes, high-end animation and question / answers) online and/or offline through home installations/pen drive/SD card/Tablet. Sales price is inclusive of Robomate and all hardware cost. Royalty Income is received from Chetana Publications Private Limited (CPPL) on their external Master KEY sales.

2.8 Other income

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

2.9 Fixed Assets and Capital Work In Progress

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

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

Capital Work-In-Progress are assets not ready for the intended use as at the Balance Sheet date and include

assets at new centres which have not commenced operations till 31st March 2015.

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

2.10 Intangible assets

An intangible asset is recognized, where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where the cost can be reliably ascertained.

Intangible asset are stated at cost of acquisition less accumulated amortization.

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

2.11 Foreign currency transactions and translations

Initial recognition

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

2.12 Government grants

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

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

2.13 Investments

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

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

2.14 Employee benefits

A. Provident Fund

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

Defined contribution plans

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

B. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Company makes annual contributions, premiums in respect of all qualifying employees to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment in accordance with the Payment of Gratuity Act, 1972. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation at year end, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

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

C. Leave Entitlement

The Company has a policy of paying Leave Encashment benefits to its employees only in the event of their resignation, based on their

accumulated leave balances in accordance with the provisions of "The Bombay Shops and Establishment Act, 1948". As per the policy of the Company, an employee can accumulate a maximum of 39 days leave over a period of 2 years, after which the leave would lapse.

Short-term employee benefits

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

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

Long-term employee benefits

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

2.15 Segment reporting

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

2.16 Leases

Operating Leases

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased premises during the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a monthly accrual basis as per agreements, except in case of newly rented premises where the rent paid

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

2.17 Earnings per share

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

2.18 Taxes on income

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

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

2.19 Provisions and contingencies

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

2.20 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

2.21 Principles of Consolidation

The consolidated financial statements are prepared under historical conversions and on an accrual basis of accounting, in the accordance with Indian GAAP and the relevant provisions of the Companies Act, 2013, including the applicable Accounting Standards.

The financial statements of the Company, subsidiaries have been consolidated in accordance with Accounting Standard 21 (AS 21) issued by Institute of Chartered Accountants of India (ICAI), and using uniform accounting policies for similar transactions and other events in similar circumstances to the extent wherever practicable. The consolidated financial statements have been prepared on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.

Any excess of the cost of Company of its investment in the subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognized in the financial statements as "Goodwill on Consolidation" and carried forward in the accounts. Goodwill is not amortized, however, it is tested for impairment at each balance sheet date and any impairment, if applicable, is provided for. Alternatively, where the share of the equity in the subsidiaries as on the date of investments is in excess of cost of investment of our Company, it is recognized as "Capital Reserve on Consolidation".

The net amount of Capital Reserve after setoff of the Goodwill amount is presented under "Reserve and Surplus".

Where a subsidiary included in the consolidation, reports losses, the losses applicable to the minority may exceed the minority interest in the equity of the subsidiary. The excess and any further losses applicable to the minority are adjusted against the majority interest, except to the extent that the minority has a binding contractual obligation and is in a position of making further contribution to make good such excessive share of losses. In such cases, the minority interest of the relevant subsidiary is shown as a debit balance.

3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised				
Equity shares of ₹10 each	42,000,000	4,200.00	42,000,000	4,200.00
(b) Issued				
Equity shares of ₹10 each	39,794,140	3,979.41	39,782,187	3,978.22
(c) Subscribed and fully paid up				
Equity shares of ₹10 each	39,794,140	3,979.41	39,782,187	3,978.22
Total	39,794,140	3,979.41	39,782,187	3,978.22

3.1

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

3.2

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

3.3

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

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Opening Balance	39,782,187	3,978.22	39,547,872	3,954.79
Add:				
Fresh Issue (Refer Note 3.3.1)	11,953	1.19	234,315.00	23.43
Fresh Issue via IPO	-	-	-	-
Closing Balance	39,794,140	3,979.41	39,782,187	3,978.22

3.3.1

The Company has issued 11,953 equity shares to its employees on shares vested as on May 14, 2014 under ESOP-II

3.4

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

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahesh R. Shetty	17,036,803	42.81%	18,036,803	45.34%

3.5

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

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
<u>Equity shares with voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (Refer note 3.5.1)	33,310,080	34,177,530
Shares bought back	-	-

3.5.1

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

4 Reserves and surplus

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(a) Securities premium account		
Opening balance	3,166.30	3,099.07
Add : Premium on shares issued during the year (Refer note 4.1)	3.43	67.23
Less : Utilised during the year for issuing bonus shares	-	-
Closing balance	3,169.73	3,166.30
(b) Share options outstanding account		
Opening balance	3.43	71.01
Add: Amounts recorded on grants/modifications/cancellations during the year	-	(0.35)
Less: Written back to Statement of Profit and Loss during the year	-	-
Transferred to Securities premium account	3.43	67.23
Closing balance	-	3.43
Less: Deferred Stock Compensation Expense	-	(0.04)
Closing balance	-	3.39
(c) General reserve		
Opening balance	4,047.79	2,991.92
Add: Transferred from surplus in Statement of Profit and Loss	1705.36	1,055.87
Less: Share of Profit /(Loss) Adjusted	-	-
Less: Transitional Depreciation	(329.11)	-
Closing balance	5424.04	4,047.79
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance		
Add: Profit / (Loss) for the year	2,972.47	2,103.28
Amounts transferred from reserves	-	-
Less: Interim dividend	238.76	895.26
Final dividend	816.33	-
Tax on interim / final dividend	212.02	152.15
Transferred to:		
General reserve	1,705.36	1,055.87
Closing balance	-	-
Total	8,593.77	7,217.48

4.1

The company has during the year declared an interim dividend of ₹ 0.60 and final dividend of ₹ 2.05 amounting to ₹ 286.49 lakhs and ₹ 979.55 lakhs (inclusive of dividend distribution tax).

5 Other long-term liabilities

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Advance Fees	714.42	300.38
Total	714.42	300.38

5.1

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

5.2

Please refer Note 9.1

6 Long-term provisions

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for leave encashment	78.43	57.39
(ii) Provision for gratuity (net)	70.39	60.74
Total	148.82	118.13

7 Short term Borrowings

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Loans repayable on demand		
(a) Secured loans from Banks	495.40	-
Total	495.40	-

7.1 Short term Borrowings

Secured Loans from Banks referred above to the extent of:

(a) ₹ 495.40 (Previous Year ₹ NIL) are secured by exclusive charge on current assets & moveable fixed assets of the company.

8 Trade payables

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables:		
Acceptances	-	-
Other than Acceptances		
Visiting Faculty Fees	373.26	355.74
Study Material	3.53	7.55
Total	376.79	363.29

9 Other current liabilities

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(a) Advance Fees	2,892.70	3,103.04
(b) Outstanding Expenses	430.60	293.25
(c) Other payables		
(i) Statutory Remittances	63.31	151.27
(ii) Capital Expenditure	431.06	369.20
(iii) Security Deposit	5.76	-
(iv) Others	15.58	34.75
Total	3,839.02	3,951.51

9.1

Advance fees figure is net of ₹813 lakhs of student debtors for ongoing and future courses in FY 2014-15 and ₹740 lakhs in FY 2013-14.

10 Short-term provisions

₹ in lakhs

Particulars	As at	
	31 March, 2015	31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for bonus	-	2.17
(ii) Provision for compensated absences	22.84	17.83
(iii) Provision for gratuity (net)	121.63	83.93
	144.47	103.93
(b) Provision - Others:		
(i) Provision for Expenses	605.45	586.92
(ii) Interim dividend	-	497.44
(iii) Proposed Final Dividend	816.33	-
(iv) Dividend Distribution Tax	163.22	84.54
(v) Provision for Income Tax	1,363.24	1,153.22
	2,948.24	2,322.12
Total	3,092.71	2,426.05

12 Non-current investments

₹ in lakhs

Particulars	As at 31 March, 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Trade						
a) Investment in equity instruments of entities other than subsidiaries/associates						
(i) 1,250 Equity Shares of ₹25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	-	0.31	0.31	-	0.31	0.31
Total - Trade (A)	-	0.31	0.31	-	0.31	0.31
(b) Investment in Property in Ghazipur Village	-	78.15	78.15	-	78.15	78.15
Total - Trade (B)	-	78.46	78.46	-	78.46	78.46
Total (A+B)	-	78.46	78.46	-	78.46	78.46
Less: Provision for diminution in value of investments			-			-
Total			78.46			78.46
Aggregate amount of quoted investments			-			-
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			78.46			78.46

13 Long-term loans and advances

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Capital Advances	63.19	72.96
(b) Security deposits (Premises)	2,330.00	1,551.83
(c) Security deposits (Others)	30.44	91.08
(d) Loans and advances to others	5,150.10	142.65
(e) Advance Income Tax	123.28	107.02
(f) MAT credit	4.77	
Total	7,701.77	1,965.54

13.1

The company, on 21st March 2015, entered into a sale and lease back arrangement of its Pre University (PU) Campus situated in Mangalore, Karnataka. The deal was signed for a total sale consideration of ₹ 5500 lakhs which was received before 31st March 2015. The Campus is occupied by the Company and MT Educare Charitable Trust and the lease rent shall be borne proportionately by the respective entities. The agreement is for a period of 15 years. The Company has paid a security deposit of ₹ 660 lakhs against the rental obligation.

13.2

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

14 Current investments

₹ in lakhs

Particulars	As at 31 st March 2015			As at 31 March 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value, unless otherwise stated)						
Investment in mutual funds						
Reliance Liquid Plan - TP - IP - DDR	-	-	-	656.15	-	656.15
Reliance Dynamic Bond Fund	-	-	-	100.00	-	100.00
Birla SL - Income Plus (Growth)	-	-	-	180.00	-	180.00
ICICI Prudential Income Plan (Growth)	-	-	-	150.00	-	150.00
Reliance Liquid Cash Plan	12.70	-	12.70	41.84	-	41.84
Total - Other current investments			12.70			1,127.99
14.1						
Aggregate amount of quoted investments			12.70			1,127.99
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			-			-
Aggregate provision for diminution (write down) in the value of other current investments			-			-

15 Trade receivables

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	488.24	431.57
Doubtful	83.55	44.63
	571.79	476.20
Less: Provision for doubtful trade receivables	86.03	44.63
(A)	485.76	431.57
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,598.00	458.93
Doubtful	51.81	91.90
	1,649.82	550.83
Less: Provision for doubtful trade receivables	51.81	91.90
(B)	1598.00	458.93
Total (A+B)	2,083.76	890.50

15.1

Please refer Note 9.1

16 Cash and cash equivalents

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Cash on hand	21.36	61.25
(b) Cheques, drafts on hand	6.96	9.89
(c) Balances with banks		
(i) In current accounts	1,105.24	332.66
(ii) In deposit accounts held as margin money against guarantee	25.00	25.00
(iii) In deposit accounts	269.43	545.96
(d) Others (specify nature)	-	-
Total	1,427.99	974.76

Balances with banks includes deposits amounting to ₹117.90 lakhs (for previous year ₹516.21 lakhs) which have original maturity more than 12 months.

17 Short-term loans and advances

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Advances to Creditors	184.09	134.83
(b) Security deposits (Premises)	99.14	106.67
(c) Security deposits (Others)	141.66	5.54
(d) Loans and advances to employees	15.86	42.77
(e) Loans and advances to others	424.70	609.19
(f) <u>Balances with government authorities</u>		
Service Tax credit receivable	4.68	61.04
(g) Income Tax Paid	1,189.89	1,015.77
Total	2,060.02	1,975.81

17.1

Short term loans and advances are unsecured and considered good.

18 Other current assets

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Prepaid Expenses	0.37	7.15
(b) Accruals		
(i) VF/AF Salary Recoverable	0.34	0.34
(ii) Interest accrued on investments	92.90	17.08
Total	93.61	24.57

19 Revenue from operations

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
(a) Fees recognised	24,041.30	21,685.97
Less : Discount	(2,708.40)	(1,800.02)
Concession	(442.53)	(306.63)
Total	20,890.38	19,579.32
(b) Other operating revenues		
Government Grants	1,193.81	226.64
Sale of Hardware / Content	305.74	246.20
Others	308.61	128.11
Total	1,808.16	600.95

20 Direct Expenses

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
Rent, Rates & Taxes	2,932.58	2,751.96
Electricity	764.80	696.99
Student Material Charges	1,906.18	1,091.90
Student Stipend Expenses (Refer note 20.1)	15.89	14.25
Bandwidth Charges	14.56	13.69
Visiting Lecturer Fees	5,661.85	5,385.97
Total	11,295.86	9,954.77

20.1

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

21 Employee benefits expense (Personnel)

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
Salaries and wages	2,480.04	2,503.26
Contributions to provident and other funds	228.31	155.58
Expense on employee stock option (ESOP) scheme	0.04	2.01
Temporary Staff Expenses	113.04	82.72
Staff related expenses	124.46	112.19
Total	2,945.88	2,855.76

22 Other expenses

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
ADMINISTRATION EXPENSES		
Auditor's Remuneration (Refer note 22.1)	32.01	30.91
Director's Sitting Fees	7.35	6.20
Donation	86.03	86.06
Printing & Stationery	61.49	62.04
Professional fees	509.53	426.36
Bad Debts	110.04	56.35
Provision for Bad & Doubtful Debts	23.86	42.91
Repairs & Maintenance - Others	354.07	282.50
Security Charges	43.18	43.15
House keeping Expenses	113.28	101.10
Telephone & Internet	140.20	148.63
Travelling & Conveyance Expenses	277.34	253.32
Other Administrative Expenses	466.35	286.48
(A)	2,224.74	1,826.02
SELLING EXPENSES		
Advertisement & Publicity	1,408.82	1,249.58
Sales Promotion	94.27	20.06
(B)	1,503.09	1,269.64
(A) + (B)	3,727.83	3,095.66

22.1

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
(i) Payments to the auditors comprises (net of service tax input credit, wherever applicable)		
As auditors - statutory audit	20.29	20.35
For tax audit	5.85	5.40
For taxation & other matters	5.87	5.17
Total	32.01	30.91

23 Finance costs

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
(a) Interest expense on:		
(i) Borrowings	356.12	0.75
(b) Other borrowing costs (Loan Processing Charges)	45.50	-
Total	401.62	0.75

24 Other income

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
(a) Interest income (Refer note 24.1)	591.88	129.19
(b) Dividend income:		
from current investments	36.16	70.59
from non current investments	-	1.85
(c) Net gain on sale of:		
current investments	40.75	12.99
long-term investments	-	-
(d) Net gain on foreign currency transactions and translation	1.99	23.42
(e) Other non-operating income	37.14	0.73
Total	707.92	238.77

24.1

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
Interest income comprises:		
Interest from banks on:		
Deposits	21.83	100.35
Interest from Others	570.05	28.84
Total	591.88	129.19

25. Additional Information to Financial statements

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

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Income Tax Demand (Note 25.1.1)	69.63	123.40
(b) Guarantees given by Bank for Govt Project	33.12	25.00
(c) Corporate Guarantee given (Note 25.1.2)	1,800.00	-

25.1.1

The Company has filed appeals or proposes to file appeals with income tax authorities against income tax demand raised/refund claimed, for several assessment years totalling to ₹ 95.18 lakhs.

25.1.2

Corporate guarantee is given for loan taken by Sri Gayatri Educational Society pursuant to an arrangement entered through company's subsidiary Sri Gayatri Educational Services Pvt Ltd.

25.2 Commitments:

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	374.98	321.57
Intangible assets	44.31	290.64
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments	-	-

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

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

25.4 Disclosure on foreign earnings

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i) Foreign Currency earned	31.14	204.80

25.5.1 Earnings per share (Basic)

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Net profit / (loss) for the year from continuing operations	2,972.47	2,103.28
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	2,972.47	2,103.28
Weighted average number of equity shares	39,792,698	39,752,014
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	7.47	5.29

25.5.2 Earnings per share (Diluted)

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Net profit / (loss) for the year from continuing operations	2,972.47	2,103.28
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	2,972.47	2,103.28
Profit / (loss) attributable to equity shareholders (on dilution)	2,972.47	2,103.28
Weighted average number of equity shares for Basic EPS	39,792,698	39,752,014
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	10,578
Weighted average number of equity shares - for diluted EPS	39,792,698	39,762,592
Par value per share	10.00	10.00
Earnings per share, from continuing operations - Diluted	7.47	5.29

25.6 Deferred tax (liability) / Asset

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	0.27	0.30
Total	0.27	0.30
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	73.96	59.23
Provision for doubtful debts / advances	44.06	45.76
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	17.00	18.69
On difference between book balance and tax balance of fixed assets	521.68	342.02
Unabsorbed depreciation carried forward	15.51	-
Brought forward business losses	46.32	-
Total	718.53	465.70
Net deferred tax (liability) / asset	718.26	465.40

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

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Options (Numbers)	Options (Numbers)
Option outstanding at the beginning of the year:	11,953	247,485
Granted during the year	26,644	-
Vested during the year	11,953	234,315
Exercised during the year	11,953	234,315
Lapsed during the year	-	1,217
Options outstanding at the end of the year	26,644	11,953
Options available for grant	-	26,644

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

₹ in lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
ESOP 2011-II	0.04	2.01
Total	0.04	2.01

25.8.1 Information on related party transactions as required by Accounting Standard (AS) - 18 on Related Party Disclosures for the year ended 31st March, 2015.

₹ in lakhs

Particulars	Key Managerial Personnel		Entities in which KMP / relatives of KMP have significant influence	
	2014-15	2013-14	2014-15	2013-14
<u>During the year</u>				
Dividend Paid	347.15	384.44	-	-
Donation Given	-	-	78.55	85.37
Professional Fees	-	-	96.00	96.00
Rent Expense	12.04	11.14	112.97	113.41
Sponsorship Charges	-	-	-	16.80
KMP remuneration	225.28	216.33	-	-
<u>Outstanding as at 31st March</u>				
Deposit for Premises	7.47	7.47	41.04	41.04
Outstanding KMP Remuneration	14.58	13.66	-	-
Outstanding Professional Fee	-	-	8.09	8.09

25.8.2 Details of related party transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Details of Related Parties :

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

₹ in lakhs

Particulars	2014-15	2013-14
Dividend		
Mr. Mahesh Shetty	315.18	349.94
Others	31.96	34.50
	347.15	384.44
Donation		
Global Education Trust	78.55	85.37
	78.55	85.37
Professional Fees		
Prosynapse Consultants Pvt. Ltd.	96.00	96.00
	96.00	96.00

₹ in lakhs

Particulars	2014-15	2013-14
Rent Expense		
Maresh Tutorials Chembur	84.25	85.18
Maresh Tutorials Mulund	28.73	28.23
Others	12.04	11.14
	125.01	124.55
Sponsorship Charges		
Global Education Trust	-	16.80
	-	16.80
KMP Remuneration		
Mr. Mahesh Shetty	129.00	129.00
Mr. Yagnesh Sanghrajka	68.00	57.20
Mr. Ashwin Patel	28.28	30.13
	225.28	216.33
Outstanding at the end of the year		
Deposit for Premises		
Maresh Tutorials Chembur	29.76	29.76
Maresh Tutorials Mulund	11.28	11.28
Mr. Mahesh Shetty	7.47	7.47
	48.51	48.51
Outstanding KMP Remuneration		
Mr. Mahesh Shetty	6.70	6.70
Mr. Yagnesh Sanghrajka	5.96	4.93
Mr. Ashwin Patel	1.92	2.03
	14.58	13.66
Outstanding Professional Fee		
Prosynapse Consultants Pvt. Ltd.	8.09	8.09
	8.09	8.09

25.9 Lease

₹ in lakhs

Particulars	For the period ended 31 March, 2015	For the period ended 31 March, 2014
As Lessee		
The Company has entered into operating lease arrangements for certain facilities and Coaching Center premises. The leases are over a period of 2 to 10 years and may be renewed for a further period in mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	2,901.11	2,579.78

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

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

25.12 Employee benefit plans

25.12.1 Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹135.62 Lakhs (Year ended 31 March, 2014 ₹99.14 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

25.12.2 Defined benefit plans

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

i. Gratuity

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

₹ in lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
Components of employer expense		
Current service cost	29.74	30.48
Interest cost	19.48	13.19
Expected return on plan assets	(6.36)	(5.60)
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	45.45	15.08
Total expense recognised in the Statement of Profit and Loss	88.31	53.14
Actual contribution and benefit payments for year		
Actual benefit payments	12.19	10.50
Actual contributions	40.98	13.41
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(300.36)	(218.01)
Fair value of plan assets	108.34	73.33
Funded status [Surplus / (Deficit)]	(192.02)	(144.68)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(192.02)	(144.68)

₹ in lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
	Gratuity	Gratuity
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	218.01	152.62
Current service cost	29.74	30.48
Interest cost	19.49	13.19
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	16.68
Actuarial (gains) / losses	45.31	15.54
Past service cost	-	-
Benefits paid	(12.19)	(10.50)
Present value of DBO at the end of the year	300.36	218.01
Change in fair value of assets during the year		
Plan assets at beginning of the year	73.33	64.36
Acquisition adjustment	-	-
Expected return on plan assets	6.36	5.60
Actual company contributions	40.98	13.41
Actuarial gain / (loss)	(0.14)	0.46
Benefits paid	(12.19)	(10.50)
Plan assets at the end of the year	108.34	73.33
Actual return on plan assets	5.88	6.01
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	108.34	73.33
Actuarial assumptions		
Discount rate	7.90%	8.93%
Expected return on plan assets	7.90%	8.70%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%
Mortality tables	Indian Assured Lives Mortality(2006-08) Ultimate table.	Indian Assured Lives Mortality(2006-08) Ultimate table.

25.12.3 Actuarial assumptions for long-term compensated absences

₹ in lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
Discount rate	7.90%	8.93%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%

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

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

25.13 Utilisation of IPO Proceeds

₹ in lakhs

Particulars		
Amount received from IPO	(A)	3,500.00
Deployment of Funds Received from IPO:		
Financing cost of construction of PUC Campus in Karnataka		2,000.00
Establishing New Coaching Centres		307.07
Issue Expenses		353.10
General Corporate Purposes		839.83
Total Deployment of Funds till March 31, 2015	(B)	3,500.00
Balance Amount to be Utilized lying in bank accounts or invested in liquid mutual funds (A-B)		-

In terms of our report attached.

For **Shaparia Mehta & Associates LLP**

Chartered Accountants

Firm Reg No. : 112350W / W - 100051

Sanjiv Mehta

Partner

Membership No. : 034950

Place : Mumbai

Dated : May 13, 2015

For and on behalf of the Board of Directors

Mr. Mahesh Shetty

Chairman & Managing Director

Mr. Yagnesh Sanghrajka

Chief Financial Officer

Dr. Chhaya Shastri

Director

Mr. Ashwin Patel

Company Secretary

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC relating to subsidiary companies"

Sr No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share-holding	Country
1	Lakshya Educare Private Limited	INR	1.00	254.10	907.46	652.37	11.48	1420.21	390.65	99.99	290.66	0.00	100.00	India
2	MT Education Services Private Limited	INR	1.00	(32.52)	18.57	50.09	0.00	132.33	24.26	(4.73)	28.99	0.00	100.00	India
3	Chitale's Personalised Learning Private Limited	INR	12.24	69.68	169.19	87.27	1.22	389.52	23.00	(64.59)	87.59	0.00	51.00	India
4	Lakshya Forum for Competitions Private Ltd.	INR	52.76	(466.60)	597.72	1,011.56	78.15	1,233.91	(286.98)	0.00	(286.98)	0.00	100.00	India
5	Sri Gayatri Educational Services Pvt Ltd	INR	1.00	(0.51)	3.50	3.01	0.00	0.00	(0.51)	0.00	(0.51)	0.00	75.00	India

Note :

Sri Gayatri Educational Services Pvt Ltd is yet to commence operations.

For and on behalf of the Board of Directors

Mr. Mahesh Shetty

Chairman & Managing Director

Dr. Chhaya Shastrri

Director

Place : Mumbai

Dated : May 13, 2015

Mr. Yagnesh Sanghrajka

Chief Financial Officer

OUR KEY BRANDS





REGISTERED OFFICE

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(CIN:L80903MH2006PLC163888)
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