

eEducation



eGovernance



eEmpowerment



**MKCL**

Creating a Knowledge Lit World  
[www.mkcl.org](http://www.mkcl.org)

**2011-12**  
11<sup>th</sup> Annual Report

- BOARD OF DIRECTORS** : Mr. Rajesh Tope *Chairman*  
 Mr. D.P.Sawant *Vice-Chairman*  
 Mr. Sanjay Kumar  
 Dr. Anil Kakodkar  
 Dr. Rajan Welukar  
 Dr. N.J.Pawar  
 Mr. Rajendra Barwale  
 Mr. Anant Sardeshmukh  
 Dr. (Mrs.) Nishigandha Dewoolkar  
 Mr. Vivek Sawant *Managing Director*
- COMPANY SECRETARY & HEAD – LEGAL AFFAIRS** : Ms. Komal Chaubal
- AUDITORS** : P.V.Page & Co., Chartered Accountants,  
 201 Sardar Griha, 198, L.T.Marg, Mumbai 400 002.
- BANKERS** : Bank of India, State Bank of India, ICICI Bank, HDFC Bank.
- REGISTERED OFFICE** : ICC Trade Tower, ‘A’ Wing, 5<sup>th</sup> Floor, Senapati Bapat Road,  
 Shivajinagar, Pune 411 016. INDIA.  
 Tel.:+91 20 2563 3006 / 3724  
 Fax: +91 20 2563 0302.
- BRANCH OFFICE  
 ICC ‘B’ WING, PUNE** : ICC Trade Tower, ‘B’ Wing, 5<sup>th</sup> Floor, Senapati Bapat Road,  
 Shivajinagar, Pune 411 016. INDIA.  
 Tel.:+91 20 3024 4500 / 501.
- BRANCH OFFICE  
 HMCT, PUNE** : Maharashtra State Institute of Hotel Management and  
 Catering Technology Bldg., 412–C, Shivajinagar,  
 Pune 411 016. INDIA. Tel.: +91 20–2566 1317 / 18.
- BRANCH OFFICE  
 CST, MUMBAI** : 1<sup>st</sup> Floor, Directorate Of Vocational Education and Training  
 Bldg., Elphinstone Technical High School Campus,  
 3 Mahapalika Marg, Mumbai 400 001. INDIA.  
 Tel.: +91 22 2265 9908 / 10.
- BRANCH OFFICE  
 VASHI, NAVI MUMBAI** : “Platinum Techno Park”, 5<sup>th</sup> Floor, Unit No. 502 to 505, Plot  
 Nos. 17 and 18, Sector 30A, Vashi, Navi Mumbai,  
 400 705. INDIA. Tel.:+91 22 27814261/2, 27812758.
- BRANCH OFFICE  
 LUCKNOW, UTTAR PRADESH** : Premises No. 77, 1st Floor, Halwasiya Market,  
 M.G. Road, Hazrat Ganj, Lucknow 226001  
 Uttar Pradesh, INDIA. Tel.: +91--522–4071 672

**DRAFT DIRECTORS' REPORT****To the Members of Maharashtra Knowledge Corporation Limited**

Your Directors are pleased to present the 11<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2012.

**1.0 Financial Highlights**

The summary of the financial results for the year ended March 31, 2012 vis-à-vis those of the previous year are summarized below:

	( ₹ In Lacs)	
	2011-2012	2010-2011
Gross Profit before interest, depreciation and tax	3935.95	3113.25
Less : Interest	0.00	0.00
Depreciation	226.16	179.18
<b>Profit/(Loss) Before Taxes</b>	<b>3709.79</b>	<b>2934.07</b>
Less : Provision for Current Tax	1365.00	1025.00
Provision for Deferred Tax	9.94	18.68
<b>Profit After Taxes</b>	<b>2334.85</b>	<b>1890.39</b>
Less : Transfer to Foreign currency translation Reserve	2.68	(0.11)
Transfer to General Reserve	300.00	300.00
Proposed Dividend on Equity Shares	202.00	161.60
Tax on Dividend	32.77	26.84
<b>Profit carried to Balance Sheet</b>	<b>1797.40</b>	<b>1402.06</b>

**RESULTS OF OPERATIONS****2.1 Business Performance****2.1.1 Revenues**

Total revenues for the year ended March 31, 2012 amounted to ₹ 27,299.12 Lacs as against ₹ 26,278.88 Lacs for the corresponding previous year, thereby registering a growth of 3.88 % over previous year.

**2.1.2 Profits after Tax**

The Profits after tax for the year ended March 31, 2012 amounted to ₹ 2334.85 Lacs as against ₹ 1890.39 Lacs for the previous year, which is 23.51% higher than previous year. This is due to various reasons like increase in OASIS-Business Development Program

(OASIS-BDP) revenue under recruitment projects from ₹ 80.86 lacs in 2010-11 to ₹ 1132.08 lacs in 2011-12, with an increase of 1300% , increase in International Business Development Program (INT-BDP) from ₹ 118.08 lacs in 2010-11 to ₹ 412.09 lacs in 2011-12 as Royalty from MKCL International FZE, with an increase of 249% and thirdly other income has gone up from ₹ 448.49 lacs in 2010-11 to ₹ 1286.72 lacs in 2011-12 with an increase of 187%.

### **2.1.3 General Reserves**

The Board of Directors proposes to transfer ₹ 300.00 Lacs to the General Reserves, out of profits earned by the Company for the year ended March 31, 2012.

### **2.1.4 Dividend**

Your Directors are pleased to recommend final dividend @ ₹ 2.50/- per equity share of ₹ 10/- each, which if approved in the ensuing 11<sup>th</sup> Annual General Meeting, will be paid to those members whose name will appear in the Register of Members as on the date of the 11<sup>th</sup> Annual General Meeting.

### **2.1.5 Liquidity**

We continue to be debt-free and maintain sufficient cash to meet our strategic objectives. There are no long-term borrowings. During fiscal year 2011-12, internal cash flow has adequately covered working capital requirements, investments and dividend payments, leaving a surplus of ₹ 2901.61 Lacs. As on March 31, 2012, we had liquid assets of ₹ 9933.18 Lacs as against ₹ 7031.58 Lacs at the previous year end. These funds have been deployed with Banks.

## **3.0 INTERNAL CONTROLS**

### **3.1 Internal Audit System**

M/s. B.G.Umarani & Co. Chartered Accountants, has been appointed as Internal Auditors of the Company w.e.f. January 1, 2012 till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company.

## **4.0 SUBSIDIARY**

### **4.1 MKCL International FZE – 100% Subsidiary of the Company**

MKCL International FZE booked loss of AED 4,35,199/- (₹ 61.43 Lacs) in 2011-12 as against profit of AED 13,91,667 (₹ 171.56 Lacs) in 2010-11. The reason being MKCL booked 100% royalty income to be received from MKCL International FZE, in financial year 2011-12 itself and not on pro-rata basis, based on admission period, on the basis of number of learners' admission confirmed.

## 5.0 REPORT OF PROGRAMS AND ACTIVITIES OF MKCL

### Introduction:

Maharashtra Knowledge Corporation Limited (MKCL) is a public limited company promoted and established by the Department of Higher and Technical Education, Government of Maharashtra and was incorporated on August 20, 2001 under the Companies Act, 1956.

### Equity Profile and Board:

The Government of Maharashtra and ten public Universities in the State of Maharashtra are among the initial equity holders of MKCL. The Government has nominated three Directors on the Board of Directors of MKCL. The Minister for Higher and Technical Education, Government of Maharashtra, is the Chairman of its Board of Directors. Among other members of the Board are two Vice-Chancellors of Universities and six eminent experts from various sectors of knowledge as the independent directors.

### Transformative Agenda:

The main mission of MKCL is to create new paradigms in education, governance, and empowerment of people at large in the context of emerging knowledge-based society and knowledge-based economy. The major challenge before it is to offer education, governance and empowerment solutions and services to large and diverse population with world-class quality, at very affordable cost, with widest accessibility from metros to rural, tribal and hilly areas and in a just-in-time manner with deeper mass-personalized service experience.

In other words, these six simultaneous challenges or mission objectives for transformation in education, governance and empowerment may be summarized as **Bigger, Better, Cheaper, Faster, Wider and Deeper!**

In order to address all these six challenges simultaneously, MKCL emphasized on imaginative, pervasive and appropriate application of Information Technology in education, governance and empowerment processes in particular and socio-economic transformative processes in general.

### Unique Identity:

MKCL is dedicated to the cause of bridging the Digital Divide through universalization and integration of Information Technology in all walks of life. It, therefore, designs, develops and deploys state-of-the-art eLearning, eGovernance and eEmpowerment technologies, solutions and services at affordable costs to the masses. All the MKCL products, solutions and services are comparable to best options in global context in terms of architecture, performance and customer satisfaction. With its range of products and services in the field of eLearning, eGovernance and eEmpowerment, MKCL has emerged as a **Fast-track IT**

**Enabler / IT Integration Partner / Business Process Re-engineering Partner** of the educational institutions ranging from schools to universities; of the governments as well as of the community organizations.

### **Bridging the Digital Divide:**

The emerging information technology revolution is giving rise to a globally connected society. This society is generating exceeding 90% of the new actionable knowledge digitally and collaboratively. The ability to use digital technologies shall, therefore, be critical for participating in developing and accessing new actionable knowledge and accessing new career opportunities resulting out of the new knowledge.

Those who are denied the access to the information technology shall, thus, be deprived of the opportunities of the new world and shall face the crisis of Digital Divide in addition to economic divide, social divide, gender divide, etc.

In order to bridge the digital divide, bring the common people closer to the ethos and opportunities of the knowledge society and knowledge-led economy and with a view to bringing the real fruits of Information technology to the masses for their survival, development and empowerment, MKCL started **Maharashtra State- Certificate in Information Technology (MS-CIT)** course in the state of Maharashtra, since 2002. MS-CIT attempts to propagate IT Literacy and functionality among the people with a view to bridge the **Digital Divide and the resultant Knowledge Divide and Opportunity Divide**. MS-CIT has thus emerged as a gateway to careers and global developmental opportunities to the common people.

During last ten years, more than **Seven Million Learners** have registered themselves for this course and have become smart users of IT. This is perhaps the world's highest record in the field of bridging the Digital Divide among the masses and promoting **Digital Citizenship** among them! MS-CIT brand has thus become synonymous with **digital empowerment of common people of Maharashtra in their personal, professional and social life**.

Government of Maharashtra has also issued a Government Resolution stating that MKCL's IT literacy course viz. MS-CIT, is an essential eligibility criterion for recruitment to the posts of Grade A, Grade B and Grade C in all the Government Departments and semi-government organizations in the Maharashtra state. MS-CIT Learners are co-certified by MKCL and the Maharashtra State Board of Technical Education.

### **MKCL's PPP Network of Learning Centers:**

In order to facilitate such a large number of learners in various parts of the state, MKCL has established about **5000+ Authorized Learning Centers (ALCs)** under its unique public-private-partnership framework. With the help of these network partners, MKCL offers wider

accessibility of its services to the masses with a uniform coverage in metros, cities, semi-urban areas, rural, tribal and hilly areas of the state.

These 5000+ authorized learning centers are equipped with state-of-the-art computing infrastructure on LANs with their own 5000+ proxy servers backed up by MKCL's formidable, scalable and secure server farm infrastructure with server virtualization and dynamic load balancing at central data center and **about 40,000 personal computers**. These computers are equipped with state-of-the-art operating systems, antivirus software, application software and broadband internet connectivity. All these machines are managed online and supported remotely through **MKCL's IT Assets Management Framework viz. WORM**.

The paperless management of this world's largest network of IT learning centers is facilitated by MKCL's homegrown web-based software framework- viz. **SOLAR**. This framework seamlessly facilitates a **complex management of learner life-cycles, center life-cycles, channel partner life-cycles and course/ business activity life-cycles** including the management of financial transactions through 5000+ net banking accounts.

#### **MKCL's eLearning Prowess:**

MKCL's homegrown eLearning platform viz. **ERA (E-Learning Revolution for ALL)** includes **eContent Development Factory, eContent Distribution and Management System, eLearning Management System, and eAssessment Management and instant eCertification System** for diagnostic, formative and summative assessments. ERA is available on the 5000+ servers and LANs in a quasi-online mode at all the 5000+ learning centers for serving millions of learners undergoing various courses in self-paced, interactive and social-media enabled collaborative learning environment. ERA also connects itself to the mobile phones of the learners, learning facilitators and managers for better management of learning progression of the millions of learners.

MKCL's ERA perhaps, is **the largest eLearning facility with largest user-base in India** operating in a stable manner at the grass-roots over a decade. It has overcome the barriers of long power outages on one hand and traditional and difficult-to-break teacher-centric mindsets on the other. ERA Platform today is not just accepted but highly sought after by millions of learners including even the senior citizens because of the unique underlying pedagogy / andragogy of **Inform-to-Perform and Perform-to-Transform approach** as against the traditional emphasis on only inform type of teacher centric education system. The success of ERA lies in the uniqueness of its **Learning Content, Learning Process and Learning Environment**.

The uniqueness of MKCL's IT Literacy and Functionality skill building approach is in its emphasis of not just imparting **differential skills** but in its periodic punctuation of a series of hundreds of non-obvious **"Take-a-Challenge"** situations and then imbibing **integral skills** with **global best practices**. The learner is then exposed to several real-life **"Take-a-Bigger Challenge"** situations with *ab initio* step-by-step creation hundreds of simple and

complex **socially useful and productive outputs** by gradually using and mastering preliminary to advanced features of various office applications.

The learner is first exposed to world-class real-life case studies of socially useful and productive outputs. s/he then is guided from **appreciation to imitation** of those case studies; then from **imitation to emulation**; from **emulation to self-expression**; from **self-expression to self-confidence** and from **self-confidence to self-esteem**!

Rich-media, interactive, self-paced and perform-type of engaging multimedia eContent in **English and Hindi as well as many regional Indian languages and many foreign languages**, world-class 4-colour and highly illustrated printed study material with learner-development-centric pedagogy and constructivist instructional design and seamless convergence of learning and continuous assessment are some of the hallmarks of the education experience MKCL brings to the millions at an affordable cost.

Over a period of time, our **15,000+ trainers** have discovered that they do not get displaced by eLearning technology if they are ready to play a very creative role where this technology reaches its limits. This offers them more meaningful and satisfying co-existence with technology and sets them free from traditional teaching and assessment drudgery. This also makes overall learning process more affordable and self-replicable. A creative involvement of more than **15,000** certified and periodically re-certified trainers/ learning facilitators helps MKCL's education system assume a desirable blend of **high-tech with human touch**. The eLearning technology and the human touch of learning facilitators together achieve incredible results!

The mainstreaming of this large-scale and unique educational transformation has been the result of continuous blend of **pedagogic innovations, technology innovations and business innovations**. This is a unique example of blend of four mega-trends of 21<sup>st</sup> century viz. **Digitization, Virtualization, Mobilization and Mass-Personalization**.

#### **MKCL's World-class Academy for Vocational Excellence - MKCL's WAVE:**

In addition to the IT literacy courses, MKCL, under its brand viz. WAVE, also offers employability skills development courses in many disciplines such as Digital Arts, Publishing, Illustrations, Multimedia and Animation, Web Designing, Video Editing, Programming, Hardware and Networking, Life Skills for Workplace Readiness, Retail Management, Selling, Banking Financial Services and Insurance, Personal Financial Management, Financial Accounting, KPO, BPO, eEducation, etc.

The WAVE Learners enjoy the benefits of MKCL's unique eLearning environment ERA and MKCL's role-based and work-centric (and not book-centric or information-centric) vocational education approach. During the course, the learners are trained to produce **socially useful and productive work (SUPW)** as enshrined in Mahatma Gandhi's Nayi Taleem. The learning process is so designed that it begins with work, from the work, learner



derives knowledge and then applies that knowledge to produce wholesome work. Thus, the learner development continues on an ever evolving upward spiral.

These learners are assessed by using **MKCL's Evidence-Based Assessment System** which enables assessors to evaluate the skills of the remote assesseees. This upward spiral continues to take the learner to higher levels of excellence and enhances his/her employability, knowledge, confidence and self-esteem. WAVE Learners are certified by the Yashwantrao Chavan Maharashtra Open University.

### **Digital University & Digital College:**

Under its Digital University and Digital College software frameworks, MKCL offers direct student facilitation services to about **14 universities, 4000 colleges and two million+ students every year.**

Digital University is essentially a software framework for seamless management of life-cycles of millions of students, thousands of institutions and tens of thousands of courses/credits. The digitally empowered students' life-cycle management is the core of this framework. It offers eServices at affordable costs to millions of students at all stages throughout their university life-cycle **right from the student online admissions up to the award of degrees and placement assistance.**

It is one of the most highly scalable, integrated, seamless and end-to-end Educational eGovernance Framework in Indian Higher Education sector and has applicability to Open and Distance Learning (ODL) sector as well involving **Open Universities and Distance Education Directorates** and Departments of traditional Universities.

Being well architected and parameterized, this framework is also applicable for the **Educational eGovernance of the School Networks** such as SSC, HSC, CBSC Boards or Parent Bodies with large number of affiliated schools for their online School life-cycle management, course life-cycle management, and student life-cycle management at very affordable cost and with high quality.

### **MKCL's OASIS:**

MKCL, under its Online Application Solutions and Integrated Services (MKCL's OASIS) brand, offers end-to-end **online admission, online examination** with instant results, online selection based on instant merit-list generation, online scholarships disbursements, **online recruitments**, CRM, government scheme implementation services to exceeding **two million+ students/ applicants/ candidates/ beneficiaries every year.**

MKCL's OASIS Framework is used for online admissions in a fast-track, transparent and cost wise affordable manner for **Engineering, Medical, Pharmacy, Architecture, MBA, MCA, B.Ed, B.Sc. Agri**, various Diplomas, Ph. D. courses over a decade.

MKCL's OASIS Framework supports several government departments, local self-government agencies, semi-government organizations, universities, directorates, boards, educational institutions, banks, public and private employers, etc. for their IT-enabled recruitments in a fast-track manner and with effective outreach to the masses on a state-wide scale including rural, tribal and hilly areas through MKCL Network.

MKCL's OASIS has offered erstwhile inaccessible higher education opportunities and job opportunities to thousands of needy youth from all these areas in an affordable and transparent manner.

#### **MKCL's SeTS:**

MKCL's Secured eTendering System (SeTS) is a proven solution for eProcurement and eAuctioning and is being used by many Public Sector Undertakings and Co-operatives over last decade for procurement of good and services exceeding several billion US Dollars in a transparent and secure manner with significant reductions in procurement life-cycles and procurement costs.

This solution, apart from being applicable to individual companies, is also being preferred by sector-wise associations of various industry verticals to cut down the cost of raw materials by the periodic collective/group procurement for their members.

#### **Excellence and Talent Nurturance Program:**

MKCL has been implementing Maharashtra Olympiad Movement for last five years and has nurtured several talented school children from all over the state for their entry into international science, mathematics, astronomy, earth sciences and environment Olympiads.

#### **Other Products and Services:**

Apart from these products and services, MKCL also has developed state-of-the-art transformative frameworks such as **MKCL Finishing Schools**, **MKCL's Employment Assistance Services to Youth (MKCL's EASY)**, **MKCL's Assessment and Accreditation Framework**, **MKCL's Digital Schools Framework**, etc. to name a few.

#### **MKCL Financials:**

Since its very inception, MKCL has been a self-sustaining, wealth-creating and ever growing organization which has been simultaneously fulfilling its social obligations with a sense of social accountability. MKCL has built an **unbroken track record of annual double digit growth** in its turnovers over last ten years of its existence.

MKCL's turnover for the year 2011-12 has exceeded ₹ 2700 million and its profit before tax has exceeded ₹ 370 million. MKCL so far has never taken any state or central government funding or grant-in aid or loans except an initial equity of ₹ 25 million from

the Government of Maharashtra. In return MKCL has paid more than ₹ 1300 million to the Government of Maharashtra in last ten years by way of dividends, fees, taxes, etc. and ₹ 700 million to the Government of India by way of taxes. Financially MKCL could have done even better; however, MKCL's focus has been on the **maximization of social impact rather than the maximization of financial profits.**

#### **Youth Empowerment:**

Apart from offering the eLearning, eGovernance, and eEmpowerment services to millions of citizens in the state, leading to enhancement of their employability, upward mobility and social status, MKCL's state-wide network of 5000+ centers has also provided direct opportunities of self-employment, employment and co-employment to about **25,000 youth** in the field of IT services at these centers in their native places by avoiding their forced migration to big cities.

#### **Spread in India:**

With a view to offer the benefits of MKCL's proven pedagogy, technologies, innovative business models, best practices, academic course offerings in eLearning mode for enhancing employability, various IT-enabled solutions and services in education, governance and empowerment sectors to the masses outside Maharashtra at very low cost but with high quality, MKCL has established and is establishing Joint Venture Companies with the various state governments by investing MKCL's funds towards 30% of the initial equity. The **Rajasthan Knowledge Corporation Limited (RKCL)** and the **Orissa Knowledge Corporation Limited (OKCL)** are a few notable examples of such collaborative endeavors.

In addition, MKCL also has its State Lead Centers (SLC) in 10 states of India viz. **Gujarat, Goa, Karnataka, Uttar Pradesh, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Andhra Pradesh and Tamil Nadu** for propagation of MKCL's products and services in these states. The State Lead Centers are also being established in the remaining states of India.

The Department of Labour and Training, Government of India has appointed MKCL as the Assessing Body for the states of **Gujarat, Karnataka and Goa** for Modular Employability Skills (MES) Development Scheme under Government of India's Skill Development Initiative.

#### **Spread Abroad:**

With a view to propagate the rich repertoire of its intellectual property, MKCL has also created joint ventures abroad through its subsidiary viz. **MKCL International FZE, Sharjah, UAE.**

**MKCL Arabia Ltd., Saudi Arabia (also having its branch in Egypt) and MKCL (Malaysia) SDN. BHD., Malaysia** are the existing Joint Ventures and a number of JVs are being established this year in many other countries.

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

### **6.1 Conservation of Energy**

The Company continues its focus on energy conservation. In existing facilities, energy usage was optimized by constant monitoring, avoiding wastage and strict preventive maintenance of all equipment's to ensure their efficient operation.

### **6.2 Technology Absorption**

During the period under review, the company has not incurred any costs on technology absorption.

### **6.3 Foreign Exchange Earnings and Outgo**

During the period under review, the foreign exchange earnings were ₹ 454.56 Lacs and the foreign exchange outgo was ₹ 5.54 Lacs.

## **7.0 FIXED DEPOSITS**

The Company did not accept any fixed deposits during the year under review. As such, no deposits were outstanding as on March 31, 2012.

## **8.0 PARTICULARS OF EMPLOYEES**

No employees are falling within the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended March 31, 2012.

## **9.0 DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to requirements of section 217 (2AA) of the Companies, Act, 1956, the Directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2012 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the Annual Accounts on a going concern basis.

## 10.0 BOARD MEETINGS/BOARD COMMITTEE MEETINGS

### 10.1 Board Meetings

During the year under Report, four meetings of Board of Directors were held.

The dates on which the Board Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No	Name of Director	Board Meeting Dates			
		May 3, 2011	August 16, 2011	December 28, 2011	March 14, 2012
1	Mr. Rajesh Tope	Attended	Attended	Attended	Leave of Absence
2	Mr. D.P.Sawant	Attended	Attended	Attended	Attended
3	Mr. Mahesh Pathak	Leave of Absence	•	•	•
4	Mr. Sanjay Kumar	○	○	Leave of Absence	Leave of Absence
5	Prof. Ram Takwale	Attended	Leave of Absence	Leave of Absence	Attended
6	Dr. Anil Kakodkar	○	○	Attended	Leave of Absence
7	Dr. K.B.Patil	Attended	Attended	❖	❖
8	Dr. Rajan Welukar	Attended	Leave of Absence	Attended	Leave of Absence
9	Dr. N.J.Pawar	○	○	○	Attended
10	Mr. Rajendra Barwale	Attended	Attended	Leave of Absence	Leave of Absence
11	Mr. Anant Sardeshmukh	○	○	Attended	Attended
12	Dr. Mrs. Nishigandha Dewoolkar	Attended	Leave of Absence	Leave of Absence	Attended
13	Mr. Vivek Sawant	Attended	Attended	Attended	Attended

- Was not a member of Board of Directors of the Company
- Ceased to be Director w.e.f. 07.07.2011
- ❖ Ceased to be Director w.e.f. 22.08.2011

### 10.2 Audit Committee

The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Audit Committee Meetings were held	Attendance record of the Meeting			
		Mr. Anant Sardeshmukh (Non-executive Director)	Mr. Rajendra Barwale (Non-executive Director)	Dr. K.B.Patil (Non-executive Director)	Mr.Vivek Sawant (Managing Director)
1	June 17, 2011*	❖	○	-----	○
	June 24, 2011**	❖	○	Leave of Absence	○
2	August 16, 2011	❖	Attended	Attended	Attended
3	December 19, 2011	Attended	Attended	●	Attended
4	February 2, 2012	Attended	Leave of Absence	●	Attended

\* Meeting could not be held for want of Quorum and it automatically stood adjourned pursuant to Section 288 of the Companies Act, 1956.

\*\* No member was present at the adjourned Meeting.

❖ Appointed as Director w.e.f. 18.8.2011

○ Was not a member of Audit Committee

● Ceased to be Director w.e.f. 22.8.2011

### 10.3 Constitution and Re-constitution of Board Committees

During the year under Report, the Audit Committee, Shareholders' Committee, Remuneration Committee, Joint Venture Formation Committee, IPO Committee and Infrastructure Development Committee were re-constituted.

## 11.0 DIRECTORS

### 11.1 Appointment of Directors

**Mr. Sanjay Kumar** – Letter No. MKCL-2010/(145/10)/TE-5 dated June 16, 2011 was received from the Department of Higher & Technical Education, Government of Maharashtra informing about the nomination of Mr. Sanjay Kumar, I.A.S., Principal Secretary, Department of Higher & Technical Education in place of Mr. Mahesh Pathak. Accordingly, he has been appointed as nominee Director in the 48<sup>th</sup> Board Meeting held on August 16, 2011. His effective date of appointment is August 18, 2011.

**Mr. Anant Sardeshmukh** – In the Board Meeting held on August 16, 2011, Mr. Anant Sardeshmukh, was appointed as a Director (in the expert category `Finance') w.e.f. August 18, 2011, in the casual vacancy caused by cessation of Mr. Avinash Patil. Mr. Sardeshmukh is Executive Director General of Maharashtra Chamber of Commerce, Industries and Agriculture. He is a graduate in Science and MBA in Finance and Marketing from University

of Bombay. Mr. Sardeshmukh has vast experience of over 25 years in Corporate Finance, Project Finance and Non-Banking Finance.

**Dr. Anil Kakodkar** – Further, in the Board Meeting held on August 16, 2011, Dr. Anil Kakodkar, the distinguished nuclear scientist of India, was appointed as a Director (in the expert category ‘Science & Technology’) w.e.f. October 4, 2011, in the casual vacancy caused by cessation of Prof. Ashok Kolaskar. Presently, Dr. Kakodkar is the Chairman of Rajiv Gandhi Science and Technology Mission of India. Also, he is associated with various national and international science institutes. For his outstanding contribution in the field of science & technology, he has been conferred with prestigious Padma Vibhushan award in the year 2009 by the Government of India.

**Professor (Dr.) N.J.Pawar** – In the Board Meeting held on December 28, 2011, Professor (Dr.) N.J.Pawar, Hon’ble Vice Chancellor, Shivaji University, Kolhapur was appointed as director in the casual vacancy caused by cessation of Vice Chancellorship of Hon’ble Dr.K.B.Patil. Professor (Dr.) N.J.Pawar is a Science graduate of Shivaji University. He completed his post graduation and his Ph.D from University of Pune. He worked as Professor and Head of Geology department of the University of Pune. He was the recipient of the young Scientist Award instituted by Indian Science Congress Association. He also received the prestigious British Council Fellowship for two consecutive terms in 1985 and 1987 for carrying out research in U. K.

**Dr. (Mrs.) Nishigandha Dewoolkar** – The appointment of Dr. (Mrs.) Nishigandha Dewoolkar as Director liable to retirement by rotation was confirmed by the members of the Company in the 10<sup>th</sup> Annual General Meeting held on September 26, 2011.

### 11.2 Cessation of Directors

Particulars	Date of Cessation	Remarks
Dr. K.B.Patil	22.8.2011	Pursuant to Order no. CS/NMU/AVC-1/11/(7291)/2666 dated 18.8.2011 of Chancellor, North Maharashtra University.
Prof. Ram Takwale	01.04.2012	Pursuant to Ordinary Resolution passed in the 10 <sup>th</sup> Annual General Meeting of members held on 26.9.2011.

### 11.3 Directors retiring by rotation

Mr. Sanjay Kumar, Dr. N.J.Pawar and Mr. Rajendra Barwale, Directors of the Company retire at the ensuing 11<sup>th</sup> Annual General Meeting and being eligible offer themselves for re-appointment.

#### **11.4 Re-appointment of Managing Director**

Your Board has re-appointed Mr. Vivek Sawant as Managing Director for a period of 5 years commencing from 5<sup>th</sup> October, 2012.

#### **12.0 AUDITORS:**

The Auditors M/s P.V.Page & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. They have confirmed their willingness to accept office, if re-appointed.

#### **13.0 PROPOSED IPO:**

The Board in its meeting held on December 28, 2011 referred the re-constituted IPO Committee to carry out a fresh review of the IPO proposal. The IPO Committee in its meeting held on February 02, 2012 had detail discussions and deliberations. It decided and recommended to the Board that the Company should not launch an Initial Public Offer (IPO) in view of the fact that presently there appears no clear reason of its own interest, for which the Company should launch it. The Board in its meeting held on June 26, 2012 considered recommendations of the IPO Committee, accepted its recommendations and decided that the Company should not presently launch an IPO.

#### **14.0 ACKNOWLEDGEMENTS:**

Your Directors sincerely acknowledge the continued support and co-operation received from the Government, Suppliers, Customers, Bankers, Consultants, Network Partners and Business Partners of the Company. The Directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by every employee of the Company. Lastly, your Directors are grateful for the confidence and faith shown by the members of the Company in them.

For and on behalf of the Board of Directors  
**Maharashtra Knowledge Corporation Limited**

**Rajesh Tope**  
Chairman

Place: Mumbai, INDIA.

Date: August 22, 2012.



## **AUDITOR'S REPORT**

To  
The Members,  
**Maharashtra Knowledge Corporation Limited**

- 1) We have audited the attached Balance Sheet of Maharashtra Knowledge Corporation Limited as at 31<sup>st</sup> March 2012, and also the Profit & loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Paragraph (3) above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of the books.

- c) The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956.

In our opinion, and to the best of our Information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
2. In the case of the Profit and Loss Account, of the profit for the year ended on that date.
3. In the case of cash flow statement, of the cash flow for the year ended on that date.

**For P.V.Page & Co.**  
CHARTERED ACCOUNTANTS

Place: Pune  
Date:

**Prakash V. Page**  
PARTNER  
M. no.30560  
FRN-107243W

**ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT  
OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON  
31 ST MARCH 2012**

- I. In respect of the fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) Majority of fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. Reconciliation has been made between the book records and actual physical assets during the year and was found to be correct.
  - c) Disposal of Fixed Assets during the year are minimal and the same have been properly accounted for.
  
- II. In respect of its inventories:
  - a) As explained to us, the Management physically verified the inventories of Study Material Books and Education Material during the year.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the inventory record maintenance system needs to be strengthened. The discrepancies noticed on verification between the physical stocks and the book records were not material.
  
- III. In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.
- V. (a) There are no transactions that need to be entered in to a register in pursuance of Section 301 of the Companies Act, 1956. Hence, clause V (b) is not applicable to the company.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, during the year to which the directives issued by the Reserve Bank Of India and the provisions of sections 58A and 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under, are applicable.
- VII. The Company has internal audit system in place. Based on the review of the present system we strongly feel that the internal audit systems needs to be strengthen.
- VIII. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- IX. According to the information and explanation given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income-tax, service tax and other material statutory dues applicable to it.
- X. The company has been registered for a period of more than five years. Further, the company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year immediately preceding such financial year.
- XI. In our opinion and according to the information and explanation given to us, the Company has neither taken any loans from a financial institution, nor a bank nor has it issued any debentures. Accordingly, the clause (XI) of the order is not applicable.

- XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the clause (XII) of the order is not applicable.
- XIII. The Company is not a chit fund or a nidhi or mutual benefit fund or society. Accordingly, the provisions of clause (XIII) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause (XIV) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not applied for any type of term loans. Accordingly the provisions of clause (XVI) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XVII. In our opinion and according to the information and explanations given to us, the Company has not been raised any funds on short-term basis.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any debentures.
- XX. The Company has not raised any money by public issue during the year.

XXI. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

**For P.V. Page & Co.**  
CHARTERED ACCOUNTANTS

**(Prakash V. Page)**

PARTNER

*M.No 030560*

*FRN-107243W*

Place: Pune

Date:

**Maharashtra Knowledge Corporation Limited**  
**Balance Sheet as at 31st March 2012**

(In Rupees Lacs)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2.1	808.02	808.02
(b) Reserves and surplus	2.2	9,707.23	7,607.15
(c) Money received against share warrants			
<b>2 Share application money pending allotment</b>			
-----			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-----	-----
(b) Deferred tax liabilities (Net)	2.3	50.62	40.68
(c) Other Long-term liabilities	2.4	519.78	533.59
(d) Long-term provisions	2.5	146.79	117.36
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-----	-----
(b) Trade payables	2.6	5,418.90	5,732.29
(c) Other current liabilities	2.7	351.10	97.48
(d) Short-term provisions	2.8	3,908.19	3,912.63
<b>TOTAL</b>		<b>20,910.63</b>	<b>18,849.20</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets		1,605.89	1,716.98
(ii) Intangible assets	2.9	138.84	220.86
(iii) Capital work-in-progress		2.23	2.23
(iv) Intangible assets under development			
(b) Non-current investments	2.10	138.81	743.25
(c) Deferred tax assets (net)		-----	-----
(d) Long-term loans and advances	2.11	3,914.66	3,347.65
(e) Other non-current assets			
<b>2 Current assets</b>			
(a) Current investments		-----	-----
(b) Inventories	2.12	215.77	19.73
(c) Trade receivables	2.13	4,594.51	5,620.45
(d) Cash and cash equivalents	2.14	9,933.18	7,031.58
(e) Short-term loans and advances	2.15	40.10	14.69
(f) Other current assets	2.16	326.64	131.78
<b>TOTAL</b>		<b>20,910.63</b>	<b>18,849.20</b>

For P. V. Page & Co.  
Chartered Accountants

For and on behalf of the Board  
Maharashtra Knowledge Corporation Ltd.

Prakash V. Page  
Partner

Rajesh Tope  
Chairman

Vivek Sawant  
Managing Director

Manoj Narvekar  
Chief Accounts Officer

Place : Mumbai, INDIA.  
Date : August 22, 2012

Komal Chaubal  
Company Secretary & Head-Legal Affairs

Place : Mumbai, INDIA.  
Date : August 22, 2012

**Maharashtra Knowledge Corporation Limited**  
**Statement of Profit and Loss for the year ended 31st March 2012**

(In Rupees Lacs)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	2.17	26,012.40	25,830.39
II. Other income	2.18	1,286.72	448.49
<b>III. Total Revenue (I + II)</b>		<b>27,299.12</b>	<b>26,278.88</b>
<b>IV. Expenses</b>			
Expenses on courses & programs	2.19	20,040.83	20,633.62
Purchases of Stock-in-Trade		835.75	664.19
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		(196.03)	55.71
Employee benefits expense	2.20	1,214.76	1,043.32
Depreciation and amortization expense	2.9	226.16	179.18
Other expenses	2.21	1,467.86	768.79
<b>Total expenses</b>		<b>23,589.33</b>	<b>23,344.81</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,709.79</b>	<b>2,934.07</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>3,709.79</b>	<b>2,934.07</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>3,709.79</b>	<b>2,934.07</b>
X Tax expense:			
(1) Current tax		1,365.00	1,025.00
(2) Deferred tax		9.94	18.68
<b>XI Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>2,334.85</b>	<b>1,890.39</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>2,334.85</b>	<b>1,890.39</b>
XVI Earnings per equity share:			
(1) Basic	2.22	28.90	23.40
(2) Diluted	2.22	28.90	23.40

For P. V. Page & Co.  
Chartered Accountants

For and on behalf of the Board  
Maharashtra Knowledge Corporation Ltd.

Prakash V. Page  
Partner

Rajesh Tope  
Chairman

Vivek Sawant  
Managing Director

Manoj Narvekar  
Chief Accounts Officer

Place : Mumbai, INDIA.  
Date : August 22, 2012

Komal Chaubal  
Company Secretary & Head-Legal Affairs

Place : Mumbai, INDIA.  
Date : August 22, 2012



**Maharashtra Knowledge Corporation Limited**  
**Cash Flow Statement for the period ended on 31st March 2012**  
(As per Schedule VI to the Companies Act, 1956)

(In Rupees Lacs)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>A. Cash flows from operating activities</b>		
Net profit before tax	3,709.79	2,934.07
<u>Adjustments for:</u>		
Depreciation	226.16	179.18
Interest income	(571.12)	(356.31)
Dividend income	(192.59)	(58.51)
Loss on Sale of Mutual Funds (Net)	305.68	143.68
<b>Operating profit before working capital changes</b>	<b>3,477.92</b>	<b>2,842.11</b>
<u>Adjustments for:</u>		
Sundry debtors and other receivables	218.64	(2,578.99)
Inventories	(196.03)	55.71
Current Liabilities and Provision for expenses	27.11	1,843.60
<b>Cash generated from operations</b>	<b>3,527.64</b>	<b>2,162.43</b>
Income taxes paid	(1,491.75)	(810.13)
<b>Net cash from operating activities</b>	<b>2,035.89</b>	<b>1,352.30</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(33.08)	(330.38)
Investments in Orissa Knowledge Corporation Limited	(60.00)	-
Sale of Investments	356.68	1,012.51
Investments	-	6.58
Interest income	571.12	356.31
Dividend income	192.59	58.51
<b>Net cash used for investing activities</b>	<b>1,027.31</b>	<b>1,103.53</b>
<b>C. Cash flows from financing activities</b>		
Dividends paid	(161.60)	(161.60)
<b>Net cash from financing activities</b>	<b>(161.60)</b>	<b>(161.60)</b>
<b>Net increase in cash and cash equivalents ( A + B + C )</b>	<b>2,901.60</b>	<b>2,294.23</b>
Cash and cash equivalents at beginning of period	7,031.58	4,737.35
<b>Cash and cash equivalents at end of period</b>	<b>9,933.18</b>	<b>7,031.58</b>

For P. V. Page & Co.  
Chartered Accountants

For and on behalf of the Board  
Maharashtra Knowledge Corporation Ltd.

Prakash V. Page  
Partner

Rajesh Tope  
Chairman

Vivek Sawant  
Managing Director

Manoj Narvekar  
Chief Accounts Officer

Place : Mumbai, INDIA.  
Date : August 22, 2012

Komal Chaubal  
Company Secretary & Head-Legal Affairs

Place : Mumbai, INDIA.  
Date : August 22, 2012

Note No 2.1  
Share capital

(In Rupees Lacs)

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Rupees	Number	Rupees
<b>Authorised Share Capital</b> Equity Shares of Rs. 10 each	20,000,000	2,000.00	20,000,000	2,000.00
<b>Issued, Subscribed &amp; Paid Up Share Capital</b> Equity Shares of Rs. 10 each, fully Paid Up	8,080,195	808.02	20,000,000	808.02
<b>Total</b>	<b>8,080,195</b>	<b>808.02</b>	<b>20,000,000</b>	<b>808.02</b>

Share Holding Pattern

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Total Paid Up Capital	No. of Shares held	% of Total Paid Up Capital
Department of Higher & Technical Education, Government of Maharashtra	3,000,000	37.13	3,000,000	37.13
10 Universities	2,740,000	33.91	2,740,000	33.91
Others	2,340,195	28.96	2,340,195	28.96
<b>Total</b>	<b>8,080,195</b>	<b>100.00</b>	<b>8,080,195</b>	<b>100.00</b>

## Note No 2.2

## Reserves and surplus

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>General Reserve Account</b>		
Opening Balance	3,900.00	3,600.00
(+) Current Year Transfer	300.00	300.00
Closing Balance	<b>4,200.00</b>	<b>3,900.00</b>
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	0.33	0.44
(+) Current Year Transfer	2.67	-
(-) Written Back in Current Year	-	(0.11)
Closing Balance	<b>3.00</b>	<b>0.33</b>
<b>Surplus</b>		
Opening balance	3,706.83	2,304.78
(+) Surplus For the current year	2,334.85	1,890.39
Total Allocable Surplus - (A)	<b>6,041.68</b>	<b>4,195.17</b>
<b>Allocations &amp; Appropriations</b>		
(+) Transfer to Foreign Currency Translation Reserve	2.68	(0.11)
(-) Transfer to Reserves	300.00	300.00
(-) Proposed Dividends	202.00	161.60
(-) Tax on Dividends	32.77	26.85
Total Allocations & Appropriations -(B)	<b>537.45</b>	<b>488.34</b>
Closing Balance (A-B)	<b>5,504.23</b>	<b>3,706.83</b>
<b>Total</b>	<b>9,707.23</b>	<b>7,607.15</b>

Note No 2.3

Deferred tax liabilities (Net)

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Deferred Tax Liability</b>		
Opening Balance	82.50	54.67
Transfer during the year	9.94	27.83
<b>Total</b>	<b>92.44</b>	<b>82.50</b>
<b>Deferred Tax Asset</b>		
Opening Balance	41.82	32.67
Transfer during the year	-	9.15
<b>Total</b>	<b>41.82</b>	<b>41.82</b>
<b>Total</b>	<b>50.62</b>	<b>40.68</b>

## Note No 2.4

## Other Long term liabilities

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Trade Payables	-	-
(b) Others		
Study Material Deposit	290.56	363.83
Performance Guarantee Money	22.64	18.18
Security Deposits	206.58	151.58
<b>Total</b>	<b>519.78</b>	<b>533.59</b>

Note No 2.5

Long-term provisions

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Provision for employee benefits		
Leave Encashment	139.25	109.82
(b) Others	7.54	7.54
Total	146.79	117.36

Note No 2.6

Trade payables

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
Liability towards Network Partners	4,224.87	4,501.85
Creditors for Material & Services	1,093.94	1,153.57
Payable to University	100.09	76.87
<b>Total</b>	<b>5,418.90</b>	<b>5,732.29</b>

Note No 2.7

Other current liabilities

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
a) Unclaimed Dividend	2.23	0.56
b) Unclaimed Share Application Money & Interest	0.14	0.14
c) Duties & Taxes Payable		
Tax Deducted at Source	64.97	36.30
Service Tax	19.09	15.69
Tax on Works Contracts under MVAT	0.09	-
d) Others		
Common Marketing Contribution	213.91	-
Other Liabilities	50.67	44.79
<b>Total</b>	<b>351.10</b>	<b>97.48</b>



Note No 2.8

Short term provisions

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	1.13
Contribution to Provident Fund	13.37	10.70
Provision for Performance Linked Awards	200.00	130.28
<b>(b) Others</b>		
Provision for Fringe Benefit Tax (A.Y. 08-09)	-	5.46
Provision for Fringe Benefit Tax (A.Y. 09-10)	-	6.25
Provision for Corporate Income Tax (A.Y. 08-09)	-	585.00
Provision for Corporate Income Tax (A.Y. 09-10)	0.67	891.00
Provision for Corporate Income Tax (A.Y. 10-11)	1,069.37	1,069.37
Provision for Corporate Income Tax (A.Y. 11-12)	1,025.00	1,025.00
Provision for Corporate Income Tax (A.Y. 12-13)	1,365.00	-
Provision for Proposed Dividend	202.01	161.60
Corporate Dividend Tax Payable	32.77	26.84
<b>Total</b>	<b>3,908.19</b>	<b>3,912.63</b>

## Note No 2.9

## Fixed assets

(In Rupees Lacs)

Sr. No.	Particulars	Rate (%)	Gross Block				Accumulated Depreciation				Net Block	
			Balance as at 1st April 2011	Additions	Deletion / Transfers	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
a	<b>Tangible Assets</b>											
	Land	-	40.87	-	-	40.87	-	-	-	-	40.87	40.87
	Office Premises	5.00	1,464.88	-	-	1,464.88	181.32	64.18	-	245.50	1,219.38	1,283.56
	Plant and Machinery	100.00	1.04	-	-	1.04	1.04	-	-	1.04	-	-
	Furniture and Fixtures	18.10	251.68	6.78	-	258.46	110.19	25.94	-	136.13	122.33	141.49
	Office Equipment and Appliances	13.91	257.34	-	-	257.34	144.45	15.70	-	160.15	97.19	112.89
	Computer Hardware	40.00	368.99	16.45	-	385.44	338.67	16.02	-	354.69	30.75	30.32
	Electrical Fittings	13.91	112.03	1.15	-	113.18	36.84	10.49	-	47.33	65.85	75.19
	Air Conditioner	13.91	45.09	1.42	-	46.51	17.59	3.84	-	21.43	25.08	27.50
	Solar Panels Power Generation Plant	13.91	6.46	-	-	6.46	1.30	0.72	-	2.01	4.44	5.16
	<b>Total - a</b>		<b>2,548.38</b>	<b>25.80</b>	<b>-</b>	<b>2,574.18</b>	<b>831.40</b>	<b>136.89</b>	<b>-</b>	<b>968.28</b>	<b>1,605.89</b>	<b>1,716.98</b>
b	<b>Intangible Assets</b>											
	Computer software	40.00	326.15	7.28	-	333.43	105.29	89.27	-	194.58	138.84	220.86
	<b>Total - b</b>		<b>326.15</b>	<b>7.28</b>	<b>-</b>	<b>333.43</b>	<b>105.29</b>	<b>89.27</b>	<b>-</b>	<b>194.58</b>	<b>138.84</b>	<b>220.86</b>
c	<b>Capital Work In Process</b>	-										
	Capital Work In Process	-	2.23	-	-	2.23	-	-	-	-	2.23	2.23
	<b>Total - c</b>		<b>2.23</b>	<b>-</b>	<b>-</b>	<b>2.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.23</b>	<b>2.23</b>
	<b>Total - a + b + c</b>		<b>2,876.76</b>	<b>33.08</b>	<b>-</b>	<b>2,909.84</b>	<b>936.69</b>	<b>226.16</b>	<b>-</b>	<b>1,162.87</b>	<b>1,746.96</b>	<b>1,940.07</b>
	Previous Year		2,546.38	337.40	7.02	2,876.76	757.51	179.18	-	936.69	1,940.07	

Note No 2.10

Non-current investments

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>A Trade Investments</b>		
(a) Investment in Equity instruments		
MKCL International FZE	18.81	18.81
1 Share @ Rs.18,80,816/-		
Rajasthan Knowledge Corporation Limited	60.00	60.00
6,00,000 Shares @ Rs.10/- each		
Orissa Knowledge Corporation Limited	60.00	-
6,00,000 Shares @ Rs.10/- each		
<b>B Other Investments</b>		
(a) Investments in Mutual Funds	-	664.44
<b>Total</b>	<b>138.81</b>	<b>743.25</b>

Details of Other Investments				
Sr. No.	Particulars	No. of Units	Rate	Amount (Rs.)
	<b>Investments in Mutual Funds</b>			
1	ABN AMRO Opportunity Fund	255,836.26	31.27	80.00
2	JM Basic Fund	139,341.75	35.88	50.00
3	JP Morgan India smaller Companies Fund	977,995.11	10.23	100.00
4	Sundaram BNP Paribus Select Small Cap Fund	297,000.00	10.00	29.70
5	Sundaram Energy Opportunity Fund	1,000,000.00	10.00	100.00
6	Tata Indo Global Infrastructure Fund	1,000,000.00	10.00	100.00
7	Tata Infrastructure Fund	72,853.34	44.39	32.33
8	JM Agri & Infra Fund	1,000,000.00	10.00	100.00
9	Kotak Opportunities Fund			
	<b>Details of Purchase</b>	<b>Units</b>	<b>Rate</b>	<b>Amount Rs.</b>
	Purchase	180,505.42	27.70	5,000,000
	Dividend reinvested	51,659.07	20.97	1,083,291
	Dividend reinvested	33,048.33	14.05	464,329
	Dividend reinvested	30,195.01	13.17	397,668
	Dividend reinvested	21,460.79	13.76	295,301
		316,868.62		72.41
	<b>Total Rs.</b>			<b>664.44</b>

Note No 2.11

Long term loans and advances

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>a. Capital Advances</b>	-	-
<b>b. Security Deposits</b>		
Unsecured, considered good	36.25	43.54
<b>c. Corporate Income Tax</b>		
Corporate Income Tax Paid (A.Y. 08-09)	-	598.52
Corporate Income Tax Paid (A.Y. 09-10)	-	890.32
Corporate Income Tax Paid (A.Y. 10-11)	1,070.72	1,070.72
Corporate Income Tax Paid (A.Y. 11-12)	999.88	705.66
Corporate Income Tax Paid (A.Y. 12-13)	1,170.75	-
Fringe Benefit Tax Paid (A.Y. 08-09)	-	5.46
Fringe Benefit Tax Paid (A.Y. 09-10)	-	6.25
Refund Receivable-Corporate Tax (A.Y. 07-08)	2.73	2.73
Refund Receivable-Corporate Tax (A.Y. 08-09)	13.52	-
<b>d. VAT Refund Receivable</b>		
VAT Refund Receivable (F.Y. 09-10)	8.79	8.79
VAT Refund Receivable (F.Y. 10-11)	15.59	15.66
VAT Refund Receivable (F.Y. 11-12)	6.43	-
<b>e. Others-Unsecured, considered good</b>		
Advance to BSNL	590.00	-
<b>Total</b>	<b>3,914.66</b>	<b>3,347.65</b>

Note No 2.12

Inventories

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>a. Stock-in-trade - At Cost (As certified by the Management)</b>		
Inventory of Books	202.54	6.48
Inventory of Educational Material	3.10	3.10
Inventory of Sugarcane Planters	9.70	9.70
Inventory of Contour Markers	0.43	0.45
<b>Total</b>	<b>215.77</b>	<b>19.73</b>

**INVENTORY AND QUANTITATIVE DETAILS**

Inventory includes set of a Study Materials and Project Materials. These stocks are valued at Cost or Fair Value whichever is lower. Cost for the purpose includes cost of purchase, freight and all incidental costs incurred to bring these inventories to Company. Cost is arrived at by applying Weighted Average Formula.

Items	Opening Quantity (Nos)	Receipts Quantity (Nos)	Issues Quantity (Nos)	Closing Quantity (Nos)
Books	8,440	12,14,860	9,39,033	2,84,267
Educational Material	138	-----	-----	138
Contour Markers	18	-----	1	17
Sugarcane Planters	10	-----	-----	10

Note No 2.13

Trade receivables

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	547.29	262.95
Others	4,047.22	5,357.50
<b>Total</b>	<b>4,594.51</b>	<b>5,620.45</b>

Note No 2.14

Cash and cash equivalents

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
a. Balances with banks	910.48	446.08
b. Cash in hand	-	-
c. Floating Rate Income Fund	840.07	6.58
d. Others-Fixed Deposit	8,182.63	6,578.92
<b>Total</b>	<b>9,933.18</b>	<b>7,031.58</b>

Other disclosures related to Cash and cash equivalents

Particulars	As at 31 March 2012	As at 31 March 2011
Earmarked balances with banks (unpaid dividends)	2.99	1.32
Balances with banks to the extent held against performance bank guarantees	21.02	629.40
Bank deposits with more than 12 months maturity	4,929.99	6,424.44

Note No 2.15

Short-term loans and advances

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>a. Loans and advances to related parties</b>	-	-
Expenses on behalf of MKCL International FZE	31.72	11.46
Expenses on behalf of Orissa Knowledge Corporation Limited	6.59	-
<b>b. Others (specify nature)</b>		
Employees Advance	1.79	3.23
<b>Total</b>	<b>40.10</b>	<b>14.69</b>



Note No 2.16

Other current assets

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
Prepaid Expenses	23.81	11.81
Accrued Interest on Fixed Deposits	302.71	103.38
Others	0.12	16.59
<b>Total</b>	<b>326.64</b>	<b>131.78</b>

## Note No 2.17

## Revenue from operations

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>I. Sale of products</b>	<b>156.18</b>	<b>70.64</b>
<b>II Sale of services</b>		
<b>Educational Business Development Program (Edu-BDP)</b>		
MS-CIT Course Fees	18,803.22	20,347.82
Forfeited Fees	252.56	247.60
MS-CIT Exam/Re-exam Fees	1,940.44	2,214.56
Modular Employable Skills (MES)	3.95	-
MS-ACIT Course Fees	13.94	-
Oncet Exam Fees	19.55	15.87
Wave Course Fees	84.41	64.29
Others	12.03	-
	<b>21,130.10</b>	<b>22,890.14</b>
<b>National Strategic Business Partnership Development Program (NSB-PDP)</b>		
Wave-CIT Course Fees	7.84	15.72
Share in RS-CIT & ERA Fees	233.06	97.58
	<b>240.90</b>	<b>113.30</b>
<b>Network Partnership Management Program (NP-MP)</b>		
Registration/Renewal/Processing/Annual/LMS License Fees	<b>276.34</b>	<b>312.72</b>
<b>Digital University- Business Development Program (DU-BDP)</b>	<b>535.16</b>	<b>426.17</b>
<b>OASIS-Business Development Program (OASIS-BDP)</b>		
Pune University Online Admissions	1,038.73	843.71
Other Online Admissions	974.26	885.87
Recruitment Projects	1,132.08	80.86
	<b>3,145.07</b>	<b>1,810.44</b>
<b>eGovernance-Business Development Program (eGov-BDP)</b>		
Design & Development of Digital MLS	32.06	-
eTendering Services	50.20	41.84
NREGA Projects	8.17	2.88
Web Portal Designing Development	3.50	4.96
	<b>93.93</b>	<b>49.68</b>
<b>Excellence &amp; Talent Nurturance Program (Excel-TNP)</b>		
Income from Talent Nurturance Program	21.15	27.23
Subscription towards Change for Better	1.48	1.74
Income from eB-Ed project	-	10.25
	<b>22.63</b>	<b>39.22</b>
<b>International Business Development Program (INT-BDP)</b>		
Royalty-MKCL International FZE	<b>412.09</b>	<b>118.08</b>
<b>Total</b>	<b>26,012.40</b>	<b>25,830.39</b>

Note No 2.18

Other income

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest Income (On deposits with banks)	571.12	356.31
Dividend from subsidiary company	42.47	-
Dividend Income	150.12	58.51
Gain/(Loss) on foreign currency	4.25	12.24
Other non-operating income (net of expenses directly attributable to such income)	518.76	21.43
<b>Total</b>	<b>1,286.72</b>	<b>448.49</b>

## Note No 2.19

## Expenses on courses &amp; programs

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Educational Business Development Program (Edu-BDP)</b>		
MS-CIT-Channel Partners' share in course fees	15,388.57	16,351.55
MSBTE's share in Exam/Re-Exam Fees	1,459.55	1,651.29
Expenses on Modular Employable Skills (MES)	1.82	-
MS-ACIT Course Expenses	3.78	-
Oncet Exam Expenses	1.45	-
Wave Course Expenses	71.45	77.98
Advertisement & Sales Promotion Expenses	401.50	452.61
Course Material Expenses	328.38	393.44
	<b>17,656.50</b>	<b>18,926.87</b>
<b>National Strategic Business Partnership Development Program (NSB-PDP)</b>		
Wave-CIT Course Expenses	5.23	13.00
Expenses related to share in RS-CIT & ERA fees	33.73	14.02
National Scale-up Manpower Support expenses	9.28	15.02
	<b>48.24</b>	<b>42.04</b>
<b>Network Partnership Management Program (NP-MP)</b>		
Expenses on CDO	74.31	72.14
Expenses on Network Management Program & Manpower Support Expenses	193.10	30.32
	<b>267.41</b>	<b>102.46</b>
<b>Digital University- Business Development Program (DU-BDP)</b>		
Digital University Program Expenses	216.47	178.61
SDO Charges	114.41	109.90
	<b>330.88</b>	<b>288.51</b>
<b>OASIS-Business Development Program (OASIS-BDP)</b>		
Pune University Online Admissions Expenses	909.83	758.46
Online Admissions Project Expenses	344.32	359.39
Recruitment Projects Expenses	385.05	45.68
	<b>1,639.20</b>	<b>1,163.53</b>
<b>eGovernance-Business Development Program (eGov-BDP)</b>		
eTendering Expenses	5.33	2.61
NREGA Project Expenses	7.85	1.04
eGovernance Program Expenses	2.50	4.41
	<b>15.68</b>	<b>8.06</b>
<b>Excellence &amp; Talent Nurturance Program (Excel-TNP)</b>		
Excellence & Talent Nurturance Expenses	17.04	26.52
Watershed Development Project Expenses	0.38	4.68
Expenses on Community Development Program	46.02	56.87
	<b>63.44</b>	<b>88.07</b>
<b>International Business Development Program (INT-BDP)</b>		
Royalty payable on International business	19.48	14.08
<b>Total</b>	<b>20,040.83</b>	<b>20,633.62</b>

Note No 2.20

Employee benefits expenses

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
(a) Salaries	1,110.81	950.16
(b) Contributions to -		
(i) Provident fund	74.41	62.38
(ii) Gratuity fund	20.09	18.87
(c) Staff welfare expense	9.45	11.91
<b>Total</b>	<b>1,214.76</b>	<b>1,043.32</b>

Note No 2.21  
Other expenses

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Advertisement/Sales Promotion expenses	19.85	38.48
Auditors Remuneration incl. out of pocket expenses	18.30	17.86
Bank Charges	2.97	12.13
Communication Expenses	36.35	33.92
Donations	275.00	-
Educational Program Partner Charges	-	8.00
Electricity charges	45.04	44.11
Festival Expenses	1.74	1.76
Service Tax	103.03	-
Interest on Service Tax	40.99	-
Interest on Income Tax	0.23	-
Legal, Professional & Consultancy Charges	73.44	93.83
License Fees	2.51	0.41
Loss on Sale/Redemption of Mutual Fund	305.68	143.68
Maintenance of Offices & Building	58.53	62.93
Meeting Expenses	3.10	6.99
Old Balances Written Off	16.18	0.04
Office Expenses	4.30	4.23
Printing and Stationary	11.33	13.70
Pantry Expenses	6.45	5.96
Rent Rates Taxes and Insurance	132.41	118.33
Repairs and maintenance - Electrical	7.65	7.81
Repairs and maintenance - Furniture & Fixture	2.38	8.70
Repairs and maintenance - Office Equipment's	6.32	5.76
Repairs and maintenance-Computer	8.88	4.94
Traveling and Conveyance	38.80	45.44
Website hosting and registration expenses	76.94	84.92
Miscellaneous Expenses	19.11	4.86
Bad Debts	150.35	-
<b>Total</b>	<b>1,467.86</b>	<b>768.79</b>

## Note No 2.22

## Earning per equity share

(In Rupees Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
Net Profit attributable to equity shareholders	2,334.85	1,890.39
Weighted average number of equity shares outstanding	8,080,195	8,080,195
<b>Earnings Per Share Basic &amp; Diluted (Rs.)</b>	<b>28.90</b>	<b>23.40</b>

## Note No 2.23

## Earning in Foreign Exchange

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Royalty from MKCL International FZE	412.09	118.08
Dividend received from MKCL International FZE	42.47	-
<b>Total</b>	<b>454.56</b>	<b>118.08</b>

## Note No 2.24

## Expenses in Foreign Exchange

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Foreign Travel Expenses	3.24	4.46
Other Expenses	2.30	0.53
<b>Total</b>	<b>5.54</b>	<b>4.99</b>

## Note No 2.25

## Directors Remuneration

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Salary	11.52	20.06
Performance linked awards	4.55	6.18
Other Allowances	6.47	10.59
Contributions to PF	1.23	2.02
Perquisites	7.66	8.92
Gratuity	0.43	0.70
<b>Total</b>	<b>31.86</b>	<b>48.47</b>

Note No 2.26

Payment to the Auditors

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
As :		
a) Auditors	16.55	17.65
b) For Taxation Audit	1.65	1.24
c) For Taxation matters	1.00	0.93
d) For Company Law matters	1.32	1.35
e) For Management Services	-	-
f) For Other Services	0.44	0.40
g) For Reimbursement of Expenses	0.10	0.21
<b>Total</b>	<b>21.06</b>	<b>21.78</b>

Note No 2.27

Obligations Of Long-Term Non-Cancelable Operating Leases

The lease rentals charged during the period and maximum obligations on long-term non-cancelable operating leases payable as per the rentals stated in the respective agreement are as follows:

(In Rupees Lacs)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Lease Rental recognized during the year</b>		
Mumbai Office	6.30	6.30
Pune Office and Guest House	12.63	12.35
Lucknow Office	5.96	2.88
Vashi Office	102.58	76.93
<b>Total of Lease on Office premises</b>	<b>127.47</b>	<b>98.46</b>
<b>Lease Obligations payable</b>		
Not later than one year of the Balance Sheet date	120.76	126.17
Later than one year and not later than five years	27.15	142.78
Later than five years	-	



**Note No 2.29****Contingent Liabilities****(In Rupees Lacs)**

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Outstanding Bank Guarantees for		
- Performance guarantee for services given	21.02	629.40
<b>Total Contingent Liabilities</b>	<b>21.02</b>	<b>629.40</b>

Performance bank guarantees aggregating to Rs. 590 lacs were invoked by BSNL, unilaterally. In our opinion, such action of M/s. BSNL was not justifiable and tenable and hence the company has challenged the action of M/s. BSNL by invoking appropriate legal recourse. Arbitration proceeding in this matter has been initiated as per the order of Honorable Civil Court, Pune. The Company has filed a Special Civil Suit on 10<sup>th</sup> April, 2012 in the Honorable Court of Pune against M/s. WICENeT Ltd. regarding the counter Indemnity Bond given by M/s WICENeT Ltd to Maharashtra Knowledge Corporation Ltd. in respect of the Performance Bank Guarantee given by Maharashtra Knowledge Corporation Ltd. to M/s. BSNL, which is invoked. The total claim amount in the said suit is Rs.583 lakhs.

**Note No 2.30****Investment in Floating Rate Income Fund**

Company has shown investment in Floating Rate Income Fund under Cash and cash equivalents in this year as against its disclosure under Investments in previous year. As the amounts lying in Floating Rate Income Fund can be withdrawn / invested on, as and when required basis.

**Note No 2.31****Reclassification**

Figures for the previous year wherever necessary have been regrouped, recast and rearranged to conform to requirement of Revised Schedule VI format of Balance Sheet and Statement of Profit & Loss prescribed by the Companies Act, 1956.

Note No 2.28

Segment Reporting

Reportable Segment

Educational Business Development Program (Edu-BDP) is identified as reportable Primary segment on the basis of Business Segment as defined in Accounting Standard 17 - Segment Reporting issued by Institute of Chartered Accountants of India, since revenue from this activity constitutes more than 75% of the total revenue of the Company.

(In Rupees Lacs)

Particulars	For the period ended 31st March 2012			For the period ended 31st March 2011		
	PRIMARY SEGMENT (Edu-BDP)	Other	Total	PRIMARY SEGMENT (Edu-BDP)	Other	Total
<b>Revenue</b>						
Revenue from Business Development Program	21,130.10	4,882.30	26,012.40	22,890.14	2,940.25	25,830.39
Other Income			1,286.72			448.49
<b>Total Revenue</b>			<b>27,299.12</b>			<b>26,278.88</b>
<b>Expenses</b>						
Direct expenses attributable to Business Development Program	18,185.11	2,495.44	20,680.55	19,595.50	1,758.02	21,353.52
Other Allocable Expenses	1,249.53	583.32	1,832.85	1,251.31	160.73	1,412.04
Unallocable Expenses			1,075.93			579.25
<b>Total Expenses</b>			<b>23,589.33</b>			<b>23,344.81</b>
<b>Profit Before Tax</b>			<b>3,709.79</b>			<b>2,934.07</b>

## NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### I. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India, under historical cost convention and on the accrual basis.

GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956.

#### II. USE OF ESTIMATES

The preparation of financial statement in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of financial statement, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

#### III. REVENUE RECOGNITION

##### a. *Income from Programs*

##### **Educational Business Development Program (Edu-BDP)**

*Course Fees* from the MS-CIT course primarily consist of revenue accrued based upon number of learners registered on web-based solar application of the Company during the current accounting period.

*Forfeiture fees:* Income from forfeiture fees include Rs.14.69 lacs pertaining to the batches of previous year and expenses on account of forfeiture learners amounted to Rs.5.72 lacs pertaining to previous year batches, hence net effect of the previous year's forfeiture is Rs.8.97 lacs.

*Exam Fees and Re-exam Fees* from the MS-CIT course are recognized on the basis of learners registered on web - based application

##### **Network Partner Management Program (NP-MP)**

*Registration/Renewal/LMS Fees* collected from centers are recognized on the basis on accrual basis and on confirmations received from web-based solar application.

##### **Digital University - Business Development Program (DU-BDP)**

*Revenue from Digital University Program* is recognized as per the count confirmations of admissions received from the web - based Digital University application.

## **OASIS Business Development Program (OASIS-BDP) and eGovernance - Business Development Program (eGov-BDP)**

*Revenue from Admission/Recruitment Projects* is recognized as per the count confirmations of admissions and recruitment received from the web - based OASIS application.

## **Excellence & Talent Nurturance Program (Excel-TNP)**

Income is recognized on accrual basis and as per admission confirmations received.

## **International Business Development Program (INT-BDP)**

Income is recognized on accrual basis and 100% royalty income is booked on admission confirmation.

### ***b. Other Income***

Interest is recognized using time proportion method based on rates implicit in the transaction.

Income from investments in mutual funds is recognized upon receipt of income from the respective fund.

## **IV. EXPENDITURE**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

Charges relating to non-cancelable long-term operating charges are computed on the basis of lease rentals payable as per the relevant lease agreement and recognized as expense.

## **V. FIXED ASSETS**

Fixed assets are stated at cost less accumulated depreciation. Cost for the purpose includes cost of acquisition, installation, duties and taxes, and other incidental expenses incurred during acquisition, construction or installation of fixed assets. Computers include software purchased.

## **VI. DEPRECIATION**

The depreciation is charged on W.D.V. basis at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Individual assets acquired for less than Rs.5,000/- are directly expensed out to Statement of Profit and Loss in the year of acquisition.

## **VII. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

Foreign exchange gain or loss, resulting on account of reinstatement of monetary items on the date of balance sheet using exchange rate as on the date of Balance Sheet is recognized as income or expense for the period.

Exchange differences arising on the company's net investment in foreign subsidiary being a non-integral foreign operation are accumulated in a Foreign Currency Translation Reserve until the disposal of such investment, at which time they are recognized as income or as expense.

### VIII. EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

The company contributes to a Provident Fund, which is a defined contribution plan, and is charged to Statement of Profit and Loss.

The Company provided for gratuity, a defined benefit retirement plan covering all employees. It has subscribed to the Group Gratuity Plan of Life Insurance Corporation of India. The Plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of service; of an amount based on the respective employee's last drawn salary and tenure of employment. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. Actuarial gain or loss is recognized immediately in the statement of Profit and Loss as income or expense.

Leave encashment liability is provided on the basis of leave outstanding to the credit of employees at the Balance Sheet date.

### IX. DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES

Related Party disclosures have been set out in the following statement. The related parties, as defined by Accounting Standard 18 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons and taken on record by the Board.

(Rupees in Lakhs)

Sr. No.	Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
1	<b>Investments</b> Rajasthan Knowledge Corporation Limited Orissa Knowledge Corporation Limited MKCL International FZE	60.00 60.00 18.81	60.00 ----- 18.81
2	<b>Expenses</b> Incurred on behalf of MKCL International FZE Incurred on behalf of Orissa Knowledge Corporation Ltd.	55.92 6.59	62.88 -----
3	<b>Income</b> - Sale of books to Rajasthan Knowledge Corporation Limited - For other service charges from Rajasthan Knowledge Corporation Limited - Dividend Received from Rajasthan Knowledge Corporation Limited - Royalty from MKCL International FZE - Dividend received from MKCL International FZE	155.00 270.08 3.00 412.09 42.47	60.00 108.03 3.00 118.08 -----

Names of related parties and description of relationship -

1. MKCL International FZE - Subsidiary Company
2. Rajasthan Knowledge Corporation Limited - Joint Venture
3. Orissa Knowledge Corporation Limited - Joint Venture

#### X. TAXES ON INCOME

Tax expenses for the year comprise of current tax and deferred tax.

Current taxes are measured, at the amounts expected to be paid in respect of taxable income for the period, using the applicable tax rates and tax laws.

Deferred Tax Liability is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred Tax Assets is recognized only when it is certain that there is sufficient future income against which such deferred tax asset can be realized.

#### XI. CAPITALISATION OF PREMISES

Company had acquired new premises in ICC Trade Tower B Wing, Pune for a value of Rs.1024.69 lacs of which registration is pending on the date of Balance Sheet. An appeal has been made with Inspector General of Registration & Controller of Stamps, Pune for partial exemption of stamp duty under Maharashtra State IT & ITES Policy. However, this asset has been capitalized considering the fact of deemed transfer under Transfer of Property Act, 1882. The cost of stamp duty and registration fees will be capitalized upon payment.

For P.V.Page & Co.  
*Chartered Accountants*

For and on behalf of the Board  
Maharashtra Knowledge Corporation Ltd.

P.V.Page  
*Partner*

Rajesh Tope  
*Chairman*

Vivek Sawant  
*Managing Director*

Manoj Narvekar  
*Chief Accounts  
Officer*

Place : Mumbai, INDIA.  
Date : August 22, 2012

Komal Chaubal  
*Company Secretary & Head Legal Affairs*

Place : Mumbai, INDIA.  
Date : August 22, 2012

# Maharashtra Knowledge Corporation Limited

## Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company:

1	Name of the Subsidiary Company	MKCL International FZE
2	Financial period of the subsidiary	01/04/2011 to 31/03/2012
3	(a) No. of shares held in subsidiary company as at 31st March, 2012 (Value converted at initial foreign exchange rate of Rs. 12.248 per AED)	1 (One) share of Rs 18.37 lacs (150,000/- AED)
	(b) Extent of holding	100%
4	The net aggregate profits less losses of subsidiary company as far as it concerns the members of the holding company :	
	(i) Not dealt with in the holding company's accounts :	
	(a) Of the subsidiary for the period 01/04/2011 to 31/3/2012	Loss of Rs.61.42 lacs (AED 4,35,199/-)
	(b) For the previous financial years since it became the holding company's subsidiary	Not Applicable
	(ii) Dealt with in the holding company's accounts	
	(a) Of the subsidiary for the period 01/04/2011 to 31/3/2012	Nil
	(b) For the previous financial years since it became the holding Company's subsidiary.	Nil
5	Change in the interest of the holding company between the end of the financial year of the subsidiary and the end of the holding company's financial year	Not Applicable
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of the subsidiary's :	
	(i) Fixed assets	Not Applicable
	(ii) Investments	Not Applicable
	(iii) Moneys lent by the subsidiary	Not Applicable
	(iv) Moneys borrowed by the subsidiary	Not Applicable

**For and on behalf of the Board  
Maharashtra Knowledge Corporation Ltd.**

**Rajesh Tope**  
Chairman

**Vivek Sawant**  
Managing Director

**Manoj Narvekar**  
Chief Accounts Officer

**Komal Chaubal**  
Company Secretary & Head-Legal Affairs

Place: Mumbai, INDIA.  
Date: August 22, 2012.

## INDEPENDENT AUDITORS' REPORT

To the shareholder of MKCL International (FZE), P.O. Box. 42283, HFZ, Sharjah, United Arab Emirates.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. MKCL International (FZE), Hamriyah Free Zone, Sharjah, United Arab Emirates ("the Establishment") which comprise of the financial position as at 31st March, 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and as required by the provisions of the Emri decree issued in November 2, 1995 for entities in Hamriyah Free Zone, Sharjah. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that is free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimate that are reasonable under the circumstances.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standard on Auditing, to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, auditor consider internal control relevant to the (FZE's) preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the (FZE's) internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimate made by management, as well as evaluating the overall presentation of the financial statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements.

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



## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/s. MKCL International (FZE)**, Hamriyah Free Zone, Sharjah —United Arab Emirates, as at 31st March, 2012, and its financial performance and its cash flow for the year ended 31st March, 2012 in accordance with International Financial Reporting Standards (IFRS).

## **Report on Other Legal and Regulatory Requirement**

As required by the provisions of the Emiri decree issued on November 2, 1995 for the entities in Hamriyah Free Zone, Sharjah, we further confirm that.

- 1 We have obtained all the information and explanations necessary for our audit.
- 2 Proper books of accounts have been maintained by the company.
- 3 We are not aware of any contraventions during the year of the above mentioned law or the (FZE's) Articles of Association, which may have material effect on the financial position of the (FZE) or the result of its operations for the year.

For Axis Audit & Accounting  
Auditors & Business Consultants

Radha Darwish Al Rahma

Reg No 368, Dubai U.A.E.

Date 26th April 2012

Ref No: AAA/812/12

**MKCL International (FZE)**  
Hamriyah Free Zone, Sharjah, U.A.E

**Annual Financial Statements for the year ended 31st March, 2012**  
**Statement of Financial Position**

		<b>2012</b>	<b>2011</b>
	<b>Notes</b>	<b>AED</b>	<b>AED</b>
<b>Assets</b>			
Non Current Asset			
Investments	<b>4</b>	510,757	510,757
Current Asset			
Other receivables	<b>5</b>	381,893	392,063
Cash and cash equivalents	<b>6</b>	2,069,162	1,830,828
		2,451,055	2,222,891
<b>Total Assets</b>		<b>2,961,812</b>	<b>2,733,648</b>
<b>Equity and Liabilities</b>			
Equity			
Share capital	<b>2</b>	150,000	150,000
Retained earnings		1,753,278	2,488,477
		<b>1,903,278</b>	<b>2,638,477</b>
Current Liabilities			
Amounts due to related parties	<b>7</b>	1,055,534	92,171
Other payables	<b>8</b>	3,000	3,000
<b>Total Liabilities</b>		<b>1,058,534</b>	<b>95,171</b>
<b>Total Equity and Liabilities</b>		<b>2,961,812</b>	<b>2,733,648</b>

The notes on pages 7 to 9 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 10th April 2012.

**MKCL International (FZE)**  
Hamriyah Free Zone, Sharjah, U.A.E

**Annual Financial Statements for the year ended 31st March, 2012**  
**Statement of Comprehensive Income**

		<b>2012</b>	<b>2011</b>
	<b>Notes</b>	<b>AED</b>	<b>AED</b>
Administration expenses	<b>9</b>	(3,195,742)	(1,303,418)
Operating loss		(3,195,742)	(1,303,418)
Other income	<b>10</b>	2,747,777	2,813,764
Interest income	<b>11</b>	13,516	18,590
Loss on exchange	<b>12</b>	-	(61,555)
Loss on investments		-	(74,863)
Finance cost		(750)	(851)
<b>Loss for the year</b>		<b>(435,199)</b>	<b>1,391,667</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(435,199)</b>	<b>1,391,667</b>

The notes on pages 7 to 9 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 10th April 2012.

**MKCL International (FZE)**  
Hamriyah Free Zone, Sharjah, U.A.E

**Annual Financial Statements for the year ended 31st March, 2012**  
**Statement of Changes in Equity**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>
Balance as on 1st April, 2010	150,000	1,096,811	1,246,811
Total comprehensive income for the year		1,391,667	1,391,667
Balance at 31st March, 2011	150,000	2,488,477	2,638,477
Dividend paid		(300,000)	(300,000)
Total comprehensive loss for the year		(435,199)	(435,199)
Balance at 31st March, 2012	150,000	1,753,278	1,903,278

The notes on pages 7 to 9 form an integral part of these financial statements. These financial statements have been approved and signed by the undersigned on 10th April 2012.

**MKCL International (FZE)**  
Hamriyah Free Zone, Sharjah, U.A.E

**Annual Financial Statements for the year ended 31st March, 2012**  
**Statement of Cash Flow**

	<b>2012</b>	<b>2011</b>
	<b>AED</b>	<b>AED</b>
Cash flows from operating activities		
Loss for the year	(435,199)	1,391,667
Changes in working capital:		
Other receivables	10,170	(269,167)
Amounts due to related parties	963,363	(501,639)
Other payables	-	3,000
<b>Cash generated from operations</b>	<b>538,334</b>	<b>623,860</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>538,334</b>	<b>623,860</b>
Cash flows from investing activities		
Dividend paid	(300,000)	-
Investments	-	240,420
<b>Net cash used in investing activities</b>	<b>(300,000)</b>	<b>240,420</b>
<b>Net cash movement for the year</b>	<b>238,334</b>	<b>864,280</b>
Cash and cash equivalents at the beginning of the year	1,830,828	966,548
<b>Cash and cash equivalents at end of the year</b>	<b>2,069,162</b>	<b>1,830,828</b>

The notes on pages 7 to 9 form an integral part of these financial statements. These financial statements have been approved and signed by the undersigned on 10th April 2012.

## **MKCL International (FZE)**

**Hamriyah Free Zone, Sharjah, U.A.E**

### **Annual Financial Statements for the year ended 31st March, 2012**

**Notes to the Financial Statements**

#### **1 Legal status and activities**

MKCL International (FZE) was registered in Hamriyah Free Zone, Sharjah, on 12th October, 2006 registration number 1324, commercial licence number 2066, as a free zone establishment with limited liability pursuant to Emiri Decree No. (6) of 1995 of H.H Sheikh Dr.Sultan Bin Mohammad Al Qasimi, Ruler of Sharjah, and the implementing rules and regulations thereto issued by the Hamriyah Free Zone Authority. The registered address of the (FZE) is P.O. Box 42283, Hamriyah Free Zone, Sharjah, United Arab Emirates.

The (FZE) is primarily engaged in the business of Information Technology (IT Enabled Services).

The (FZE) is controlled and managed by Mr. Sameer Shivshankar Pande, an Indian national.

#### **2 Shareholding**

The shareholding of the (FZE) is as follows:

Name	No. of shares	Value per share	Total value	% age
		AED	AED	
1. M/s Maharashtra Knowledge Corporation Limited	1	150,000	150,000	100
	1		150,000	100

The authorized and paid up share capital of the (FZE) is AED 150,000/- divided into 1 share of AED 150,000/- only.

#### **3 Significant Accounting Policies**

##### **Statement of compliance**

**3.1** These financial statements have been prepared in accordance with the International Financial Reporting Standards. (IFRSs).

**3.2** These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under (IFRSs).

##### **3.3 Revenue recognition**

Revenue on rendering of services is recognised as per the terms of the contracts with the customers and comprises of the invoiced value of services (net of discounts) rendered during the period.

**MKCL International (FZE)**  
Hamriyah Free Zone, Sharjah, U.A.E

**3.4 Foreign currency transactions**

Foreign currency transactions are recorded in U.A.E. Dirhams at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the statement of Financial position date are translated into U.A.E. Dirhams at the year end rate of exchange. All foreign currency gains or losses are booked in the statement of Comperative income as and when they arise.

	<b>2012</b>	<b>2011</b>
	<b>AED</b>	<b>AED</b>
<b>4 Investments</b>		
Investments	510,757	510,757
	<b>510,757</b>	<b>510,757</b>
<b>5 Other receivables</b>		
Other receivables	381,893	392,063
	<b>381,893</b>	<b>392,063</b>
<b>6 Cash and cash equivalents</b>		
Cash at bank	2,069,162	1,830,828
	<b>2,069,162</b>	<b>1,830,828</b>
<b>7 Amounts due to related parties</b>		
Amounts due to related parties	1,055,534	92,171
	<b>1,055,534</b>	<b>92,171</b>
<b>8 Other payables</b>		
Accrued expenses	3,000	3,000
	<b>3</b>	<b>3</b>
<b>9 Administration expenses</b>		
Salary and benefits	-	27,694
Travelling, transportation and conveyance	50,618	50,177
Legal, professional and visa charges	29,836	1,117
Business promotion and commission expenses	-	39
Loading and accommodation expenses	11,276	6,053
Requiment expenses	339	-
Other expenses	3,103,673	1,218,338
	<b>3,195,742</b>	<b>1,303,418</b>
<b>10 Other Income</b>		
Income from MKCL Arabia project	2,747,777	2,813,764
Share of profits from KSU Project	<b>2,747,777</b>	<b>2,813,764</b>

**MKCL International (FZE)**  
Hamriyah Free Zone, Sharjah, U.A.E

	<b>2012</b>	<b>2011</b>
	<b>AED</b>	<b>AED</b>
<b>11 Interest Income</b>	13,516	18,590
	<u>13,516</u>	<u>18,590</u>
<b>12 Gain / (Loss) on exchange</b>	-	(61,555)
	<u>-</u>	<u>(61,555)</u>

13 Fair value of financial instruments

The (FZE's) financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the (FZE's) financial instruments is not materially different from the carrying value at 31st March, 2012.

14 Interest rate risk

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March, 2012 are not interest based.

15 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including expenses are in U.A.E. Dirhams, the (FZE) is not exposed to a significant exchange rate risk.

16 Contingencies and commitments

As at 31st March, 2012 the (FZE) had no contingencies and commitments.

17 Comparative figures

Previous year's figures have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements. Figures of the (FZE) have been rounded of to nearest AED 1/-.

The notes on pages 7 to 9 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 10th April 2012.





**Registered Office**

ICC Trade Tower, 'A' Wing, 5th Floor, Senapati Bapat Road, Shivajinagar, Pune 411 016, Maharashtra, INDIA, Tel. No. :+91 20 4011 4500/ 4011 4501 Fax No : +91 20 2563 0302

**MKCL's Branch office**

ICC Trade Tower, 'B' Wing, 5th Floor, Senapati Bapat Road, Shivajinagar, Pune 411 016, Maharashtra, INDIA, Tel. No. : +91-20-30244500 / 30244501

**MKCL's Branch Office**

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**MKCL's Branch Office**

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**MKCL's Branch Office**

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**MKCL's Branch Office**

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**MKCL**

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