



**MKCL**

Creating a Knowledge Lit World

[www.mkcl.org](http://www.mkcl.org)

# 13<sup>th</sup> Annual Report 2013-14

Maharashtra Knowledge Corporation Limited

ISO 9001:2008 company

**Digital College**

**MKCL SuperCampus**

**MS-ACIT**  
IT for Teachers

**Digital University**

**Libreria**  
Library Management System

**MS-CIT**  
Maharashtra State Certificate in Information Technology

**OASIS**  
Online Application Solutions and Integrated Services

**MFS**  
MKCL Finishing Schools

**ERA**  
eLearning Revolution for All

**WAVE**  
World-class Academy for Vocational Excellence

**MOM**  
Maharashtra Olympiad Movement

**EASY**  
Employment Assistance Services to Youth

**KLIC**  
Gateway to Knowledge Lit Careers

**Hobby Homes**

**Digital School**

**SeTS**  
Secured eTendering System

**SOLAR**

Web based Framework for Business Coordination of the Network



<b>BOARD OF DIRECTORS</b>	:	Mr. Rajesh Tope Mr. D. P. Sawant Mr. Sanjay Kumar Dr. Anil Kakodkar Mr. Anant Sardeshmukh Dr. Rajaram Deshmukh Dr. Dilip Boralkar Dr. Nishigandha Dewoolkar Dr. Rajan Welukar Dr. N.J.Pawar Mr. Vivek Sawant	Chairman Vice-Chairman           MD & CEO
<b>COMPANY SECRETARY</b>	:	Ms. Komal Chaubal	Head – Legal Affairs & Information Officer
<b>CHIEF FINANCIAL OFFICER</b>	:	Mr. Manoj Narvekar	
<b>AUDITORS</b>	:	P.V.Page & Co., Chartered Accountants	
<b>BANKERS</b>	:	HDFC Bank, AXIS Bank, ICICI Bank, Bank of India, State Bank of India.	
<b>REGISTERED OFFICE</b>	:	ICC Trade Tower, 'A' Wing, 5 <sup>th</sup> Floor, Senapati Bapat Road, Shivajinagar, Pune 411 016. INDIA. Tel.: +91 20 40114500/501. Fax: +91 20 2563 0302	
<b>BRANCH OFFICE ICC 'B' WING, PUNE</b>	:	ICC Trade Tower, 'B' Wing, 5 <sup>th</sup> Floor, Senapati Bapat Road, Shivajinagar, Pune 411 016. Tel. 020 25631300/301	
<b>BRANCH OFFICE ICC 6<sup>th</sup> FLOOR, PUNE</b>	:	ICC Trade Tower, 6 <sup>th</sup> Floor, Senapati Bapat Road, Shivajinagar, Pune 411 016. Tel. 020 67207300 / 301	
<b>BRANCH OFFICE HMCT, PUNE</b>	:	Maharashtra State Institute of Hotel Management & Catering Technology Bldg., 412-C, Shivajinagar, Pune 411 016. Tel. 020 25661394	
<b>BRANCH OFFICE CST, MUMBAI</b>	:	1 <sup>st</sup> Floor, DVET Bldg., Elphinstone Technical High School Campus, 3 Mahapalika Marg, Mumbai 400 001. Tel. 022 22659910/08	
<b>BRANCH OFFICE LUCKNOW, UTTAR PRADESH</b>	:	Premises No. 77, 1 <sup>st</sup> Floor, Halwasiya Market, M.G. Road, Hazrat Ganj, Lucknow 226001 Tel. 0522 4071672	
<b>BRANCH OFFICE SEAWOOD, NAVI MUMBAI</b>	:	Plot No. 30, Sector 42-A Nerul, Navi Mumbai 400 706 Tel. 022 27715021/22	

## DIRECTORS' REPORT

TO  
THE MEMBERS  
MAHARASHTRA KNOWLEDGE CORPORATION LIMITED

Your Directors are pleased to present the 13<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, 2014.

### 1.0 FINANCIAL HIGHLIGHTS

The summary of the financial results for the year ended March 31, 2014 vis-à-vis those of the previous year are summarized below:

( ₹ In Lacs)

	2013-2014	2012-2013
Gross Profit before interest, depreciation and tax	5468.81	5459.00
Less : Interest	-	-
Depreciation	252.30	218.03
<b>Profit/(Loss) Before Taxes</b>	<b>5216.51</b>	<b>5240.97</b>
Less : Provision for Current Tax	1850.00	1770.00
Provision for Deferred Tax	10.76	26.69
<b>Profit After Taxes</b>	<b>3355.75</b>	<b>3444.28</b>
Less : Transfer to Foreign currency translation Reserve	2.54	0.69
Transfer to General Reserve	400.00	400.00
Proposed Dividend on Equity Shares	202.00	202.00
Tax on Dividend	34.33	34.33
<b>Profit carried to Balance Sheet</b>	<b>2716.88</b>	<b>2807.26</b>

### 2.0 RESULTS OF OPERATIONS

#### 2.1 Business Performance

##### 2.1.1 Revenues

Total revenues for the year ended March 31, 2014 amounted to Rs.16,829.92 Lacs as against Rs.16,131.07 Lacs for the corresponding previous year, thereby registering a growth of 4.33 % over previous year.

##### 2.1.2 Profits after Tax

The Profits after tax for the year ended March 31, 2014 amounted to Rs.3355.75 Lacs as against Rs.3444.28 Lacs for the previous year, which is 2.57% marginally lower than previous year. The MS-CIT learners in FY 13-14 were 7,81,193 as against 9,33,838 in FY 12-13. In FY 12-13 the increase in learners were due to mainly, two policy decisions taken a) Booking of MS-CIT revenue with MKCL's share only in MS-CIT course fees, called as MFO (MKCL's fee only), to be received from Authorized Learning Centre (ALC per learner) effective from April 12 batch due to marginal increase in MKCL course fee announced for MS-CIT course effective from April 13 batch. During the FY 13-14 there is increase in OASIS-Business Development Program (OASIS-BDP) total revenue under Recruitment & Admission Projects from Rs.2596.93 Lacs in FY 12-13 to Rs.2861.83 Lacs in FY 13-14 at an increase of 10.20%, increase in revenue from our JV's taken under Nationwide Strategic Business Partnership Development Program (NSB-PDP) from Rs.1204.37 Lacs in FY 12-13 to Rs.1336.16 Lacs in FY 13-14 at an increase of 10.94 %. There is increase in Digital University –Business Development Program (DU-BDP) revenue from Rs.672.90 Lacs in FY 12-13 to Rs.942.96 Lacs in FY 13-14 at an increase of 40.13 %. Also the revenue from the foreign subsidiary has gone up from Rs.439.01 Lacs in FY 12-13 to Rs.613.13 Lacs in FY 13-14 at an increase of 39.66%.

### 2.1.3 General Reserves

The Board of Directors proposes to transfer Rs.400.00 Lacs to the General Reserves, out of profits earned by the Company for the year ended March 31, 2014.

### 2.1.4 Dividend

Your Directors are pleased to recommend final dividend @ Rs.2.50/- per equity share of Rs.10/- each, which if approved in the ensuing 13<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 13<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 2013-14, internal cash flow has adequately covered working capital requirements, investments and dividend payments, leaving a surplus of Rs.2997.14 Lacs. As on March 31, 2014, we had liquid assets of Rs.14,137.32 Lacs as against Rs.11,140.18 Lacs at the previous year end. These funds have been deployed with Banks.

## 3.0 INTERNAL CONTROLS

### 3.1 Internal Audit System

The Company had appointed M/s. B.G.Umarani & Co. Chartered Accountants as the Internal Auditors of the Company till the conclusion of the 13<sup>th</sup> Annual General Meeting of the Company. However, the Internal Auditor tendered resignation due to ill health of Mr. B.G.Umarani and their appointment concluded on May 31, 2014. In order to ensure long term stability, continuity and deliver value to organization, Ms. Kalyani Shastri has been appointed as Internal Auditor w.e.f. July 07, 2014. Ms. Shastri has been working with MKCL since October 2005. She has hands on work experience of accounting and auditing function at MKCL. She was previously entrusted with the responsibility of Internal Audit from 2009 to 2011.

## 4.0 SUBSIDIARY

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

MKCL International FZE booked profit of AED 15,38,348/- (Rs.250.21 Lacs) in 2013-14 as against profit of AED 28,39,933 /- (Rs.420.15 Lacs) in 2012-13.

## 5.0 REPORT OF BUSINESS 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 the Board and the Minister of State for Higher and Technical Education, Government of Maharashtra, is the Vice-Chairman. Among other members of the Board are two Vice-Chancellors of Universities and five 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 continuously designed, developed and successfully deployed on a mass-scale very imaginative, pervasive and appropriate applications 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, products, solutions and services at affordable costs to the masses. All the MKCL technologies, products, solutions and services are comparable to the 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 as well as the government, semi-government and 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 common 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 **twelve years**, more than **9 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 among many other courses, MKCL's IT literacy course viz. MS-CIT, is also 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 as well as rural, tribal and hilly areas of the state. In order to improve the outreach, about 500 additional ALCs have been added in the network this year. A few temporary satellite centers were also added for the convenience of larger number of learners registering in the summer vacation.

These 5500+ ALCs are equipped with state-of-the-art computing infrastructure on LANs with their own 5500+ proxy servers backed up by MKCL's formidable, scalable and secure server farm infrastructure with server

---

virtualization and dynamic load balancing technologies at the central data center and **about 50,000 personal computers**. These computers are equipped with state-of-the-art operating systems, antivirus software, application software and broadband internet connectivity. MKCL has also installed Bio-metric finger-print recognition devices at all the ALCs for learner identity management. All the personal computers at all the ALCs are also being equipped on behalf of MKCL with the state-of-the-art web-cameras for operationalizing the evidence-based learning and assessment framework. These two facilities will help MKCL Network emerge as **one of the largest and reliable evidence-based Online Testing Facilities**. 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 inter-related **learner life-cycles, center life-cycles, channel partner life-cycles and course/ business activity life-cycles** including the management of financial transactions through 5500+ net banking accounts.

Apart from marketing, promotion, counseling, sales and academic services, the network partners have regularly participated in common marketing fund contribution for optimization of marketing expenses and avoiding duplications and expanding the outreach. This year too all the network partners have carried out a statewide Brand Cleansing Campaign for ensuring compliance of brand specification guidelines so as to achieve MS-CIT Brand Enhancement and Brand Persistence. All the network partners are also regularly participating in frequent polling for taking various crucial business and academic decisions in an open, transparent, democratic and participative manner.

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

MKCL's homegrown eLearning platform viz. **ERA (E-Learning Revolution for ALL)** includes **eContent Development Factory** (strengthened by MKCL Digital Creations Team), **eContent Distribution and Management System, eLearning Environment and Process 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**.

Due to the implementation of technologically facilitated and controlled Sequential and Guided Process of Learning, ERA has also emerged as a framework for global and local monitoring of every step of academic progression of millions of learners. The vast amount of continuously logged and securely maintained academic progression data of learners (with the IP addresses of the computers being used by them at that time) has emerged as a rich and trustworthy repository for **Big Data Learner Analytics, research, reporting and continuous improvement of quality learning**. It has also improved the responsibility, traceability, verifiability, falsifiability and overall transparency in learning and continuous assessment of each learner across the state-wide network.

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 and **"Take-a-Grand 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 as well as 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 **Marathi, English and Hindi as well as many regional Indian languages and many foreign languages**), world-class 4-colour and highly illustrated printed study material developed based on learner-development-centric instructional design and constructivist pedagogy 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!

This year 450+ Tehsil Lead Center (TLC) and Ward Lead Center (WLC) coordinators from across all districts of Maharashtra have been rigorously trained through residential programs at a newly created state-of-the-art training facility at MKCL Pune. The focus of this training was to train the participants in creating eLearning content on tehsil/ward wise locally relevant case studies of applications of various IT tools to be added in MS-CIT curriculum for Learners of respective tehsils/wards. With the addition of this tehsil/ward specific local content to the MKCL provided global content, MS-CIT content will become truly Glocal wef. January 2015.

The implementation of MS-CIT is a large-scale and unique educational transformation. It has been the result of continuous blend of **pedagogic innovations, technology innovations, partnership innovations and business innovations**. This is a unique example of blend of five mega-trends of 21st century viz. **Digitization, Virtualization, Mobilization, Mass-Personalization and Glocalization**.

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

In addition to the IT literacy course, MKCL, under its WAVE brand, also offers employability skills development modules at about 4000 ALCs in the state in many disciplines such as Digital Arts, Publishing, Illustrations, Multimedia and Animation, AutoCAD, 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 (IT for Teachers), etc.

The focus of WAVE Modules is on knowledge-based skills development in diverse areas of services sector instead of labour oriented skills development in agriculture or manufacturing industry sector.

This year new open source LMS has been deployed for this purpose. The WAVE Learners enjoy the benefits of this MKCL's unique eLearning environment 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. WAVE tries to develop earning potential through (L)earning!

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.

This year about 1000 Learning Facilitators of the WAVE ALCs from across all districts of Maharashtra have been rigorously trained through residential programs at a newly created state-of-the-art training facility at MKCL Pune. The focus of this training was to train the participants in imparting WAVE Modules to the Learners in an effective manner.

#### **MKCL's Knowledge-Lit Careers Development Program - KLiC:**

In order to encourage especially the rural and semi-urban youth to pursue careers in the knowledge-based economy, MKCL awards free KLiC, KLiC+, KLiC++ Diploma Certificates to WAVE learners who successfully complete 4, 5 or 6 WAVE Modules preferably in a particular track.

The KLiC Diploma holders are being further developed in the area of Digital Freelancing so as to ensure decently rewarding, locally pursuable and globally relevant careers with earning opportunities in the virtual freelancing space. This is a modest step taken this year as a yet another experiment of MKCL in bridging opportunity divide.



---

Instead of indefinitely waiting for a placement in a company, a KLIC learner can start modest earning through freelancing if s/he is adequately trained and facilitated. In case of especially meritorious women from rural and semi-urban areas, this may prove to be an empowering boost in the context of their inability to leave homes and travel daily to workplaces or leave native places and migrate to big cities for a job.

In order to accomplish this ambitious objective of **Earning Revolution for All** (a new full form of ERA!) a software framework called **EASY (Earning Assistance Services to Youth)** has been developed this year to train these KLIC learners to actually perform in a mock freelancing market place and earn money as well as self-confidence to enter into digital freelancing.

Meritorious learners are being given digital freelancing opportunities by MKCL through EASY and they will be suitably rewarded by MKCL subject to actual delivery of artifacts strictly meeting the stipulated quality and delivery periods. A facilitation and fulfillment team has been created at MKCL's newly created branch office at Seawoods, Navi Mumbai for guiding thousands of KLIC Learners spread across the state and for handholding with them for their successful entry into the exciting world of digital freelancing.

### **MKCL's Mastering Series:**

In view of Government of India's decision to conduct 'One Nation One CET' for admissions to Engineering colleges in the form of JEE MAIN w.e.f. April 2014, MKCL recognized the need of thousands of junior college students aspiring to prepare for JEE but are not financially equipped to pay for the costly services for preparation. Inaccessibility of testing resources, assessment services and personalized post-assessment feedback were identified as additional impediments to a large number of students who were unable to migrate to cities.

MKCL, therefore, launched a truly online as well as an ALC-based quasi-online mock testing series with instant online assessment and automated personalized feedback service under its new brand – '**MASTERING JEE**'. It is a facility available almost anytime, anywhere.

This test series has chapter-wise tests, combo-tests as well as full paper tests for Physics, Chemistry and Mathematics. It is not just a low cost but a high academic quality offering. Each multiple choice option in the answers of thousands of questions is a well-designed conceptual distractor rather than an option being either obviously correct or arbitrarily wrong. All options are non-obvious, all of them appear to be correct and the wrong ones among them point out the conceptual gaps of the learners erroneously selecting them. The learners can, therefore, be counseled by the system for improvement by providing necessary academic inputs. The test series is thus not just formative but diagnostic and corrective.

Because of the richness and abundance of assessment content of a difficulty value matching that of the questions in JEE MAIN, this offering received good response in the first year itself. We have also offered **MASTERING MEDICAL ENTRANCE** under the same framework with question banks on Biology which also received a good response.

This year MKCL's English Typing Speed Test has also been brought under the Mastering Framework.

### **MKCL Finishing Schools:**

This year MKCL in partnership with some of the leading corporates in the ITES sector such as Tata Business Support Services Ltd, Tech Mahindra Ltd, WNS Ltd. etc. started the B.A. in Services Administration degree program with Yashwantrao Chavan Maharashtra Open University.

This is a very innovative "learn while you earn" type of degree program in which students from rural and economically disadvantaged sections of the society were given internships in these corporates in the area of customer care. They are acquiring knowledge through actual work in the company and applying this knowledge to make the work more profound and wholesome. It is recognized by giving them work credits having 50% weightage in the degree program.

The remaining 50% credits are knowledge credits which are earned through eLearning. In the eLearning component the students are given an opportunity of situational learning to gain insight of various verticals of services sector such as: 1. banking 2. finance 3. accounting 4. legal 5. insurance 6. hotels, 7. restaurants 8. hospitality, 9. travel and tourism, 10. education, 11. healthcare, 12. trading, 13. messenger services, 14. communications, 15. business process outsourcing BPO and KPO 16. call centers, front office management and CRM 17. transportation and

logistics, 18. event management 19. Art, culture, media and entertainment 20. retail 21. IT Infrastructure Support, etc.

This unique program attempts to solve the problem of attrition in the corporates, problem of unemployment among the students, problem of relevance of degree program in the universities and problem of social unrest among the educated but unemployed youth as faced by the government and society.

### **MKCL's Digital University:**

Under its Digital University and Digital College software frameworks, MKCL now offers direct student facilitation services to **14 universities, 6000 colleges and 4 million+ students every year**. The footprint of Digital University has now also been consolidated in Gujarat.

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**. The cumulative count of OASIS applicants over last twelve years has exceeded the **10 million** mark!

MKCL's OASIS Framework together with the ERA Online Evaluation Framework is used for online admissions and online entrance tests in a fast-track, transparent and affordable manner for **B.E./B.Tech. M.E./M.Tech., 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 eGovernance Initiatives:**

- MKCL's Secured eTendering System – **MKCL's 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 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.
- MKCL has also designed and partially developed a comprehensive framework for eGovernance of **Maharashtra Legislative Secretariat (MLS)**.

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

MKCL has been implementing Maharashtra Olympiad Movement for last six 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:

1. **MKCL OS** (Repository of commonly required/reusable software components)
2. **MKCL's Assessment and Accreditation Framework**
3. **MKCL's Digital Schools Framework**
4. **MKCL's Libraria** (for Library Automation of educational institutions)
5. **MKCL's Libraria** (for Directorate of Libraries)
6. **MKCL's HRMS** (for Human Resources Management)

### 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 twelve years of its existence.

During the current financial year the Company has booked the Revenue-Course fees from MS-CIT course on net basis i.e the Revenue –course fees per learner of MS-CIT course is booked with Revenue –course fees per learner pertaining to Company's share only. Unlike the practice followed till the financial year 2011-12 wherein the total course fees per learner of MS-CIT course was booked as Revenue.

Based on the above accounting on net basis of Revenue and Expenses, your Company's turnover for the year 2013-14 has exceeded Rs.1680 million as against Rs. 1600.00 million of 2012-13. MKCL so far has never taken any state or central government funding or grant-in aid or loans except an initial equity of Rs.25 million from the Government of Maharashtra. In return MKCL has paid more than Rs.1650 million to the Government of Maharashtra in last twelve years by way of dividends, fees, taxes, etc. and Rs.1140 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)**, the **Odisha Knowledge Corporation Limited (OKCL)** and the **Haryana Knowledge Corporation Limited** are a few notable examples of such collaborative endeavors.

In addition, MKCL has also implemented some of its frameworks in 10 states of India viz. **Gujarat, Goa, Karnataka, Haryana, Uttar Pradesh, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Andhra Pradesh and Tamil Nadu** for propagation of MKCL's products and services in these states.

### 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** (in Saudi Arabia along with its branch in **Egypt**) and **MKCL Lanka Ltd. (in Sri Lanka)** are the existing operational Joint Ventures.

## **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 equipments 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 Rs.614.83 Lacs and the foreign exchange outgo was Rs.6.47 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, 2014.

## **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, 2014.

## **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, 2014 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 :

Name of Director	Category	Board Meeting Dates			
		20.06.2013	11.09.2013	26.11.2013	18.02.2014
Mr. Rajesh Tope	Government Nominee	Attended	Attended	Attended	Leave of Absence
Mr. D.P.Sawant	Government Nominee	Attended	Attended	Leave of Absence	Leave of Absence
Mr. Sanjay Kumar	Government Nominee	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Dr. Anil Kakodkar	Independent	Attended	Leave of Absence	Attended	Attended
Mr. Rajendra Barwale	Independent	Leave of Absence	Leave of Absence	Leave of Absence	ceased as director
Mr. Anant Sardeshmukh	Independent	Attended	Attended	Attended	Attended
Dr. R. B. Deshmukh	Independent	Attended	Leave of Absence	Leave of Absence	Attended
Dr. Dilip Boralkar	Independent	Attended	Leave of Absence	Attended	Attended
Dr. Mrs. Nishigandha Dewoolkar	Independent	Leave of Absence	Attended	Leave of Absence	Attended
Dr. Rajan Welukar	University Representative	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Dr. N.J.Pawar	University Representative	Attended	Attended	Attended	Leave of Absence
Mr. Vivek Sawant	Managing Director & CEO	Attended	Attended	Attended	Attended

## 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.	Audit Committee Meeting dates	Attendance record of the Meeting		
		Mr. Anant Sardeshmukh (Chairman of Committee)	Mr. Rajendra Barwale	Mr. Vivek Sawant
1	02.05.2013	Attended	Attended	Attended
2	05.08.2013	Attended	Leave of Absence	Attended
3	20.11.2013	Attended	Attended	Attended
4	31.01.2014	Attended	ceased	Attended

## 11.0 DIRECTORS

### 11.1 Appointment of Directors

Mr. Sanjay Kumar, Director of the Company retires at the ensuing 13<sup>th</sup> Annual General Meeting and being eligible offers himself for re-appointment.

### 11.2 Filling of vacancy

The tenure of Mr. Rajendra Barwale as independent non-executive Director on the Board of the Company ended on January 15, 2014. The Board has recommended the appointment of Professor Deepak B. Phatak as independent non-executive director in the vacancy so caused. Professor Deepak Phatak has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of Companies Act 2013. In the opinion of the Board, Professor Deepak Phatak fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as independent Director and he is independent of the management.

The Company has received due notice in writing along with requisite deposit amount under Section 160 of the Act proposing the candidature of Professor Deepak Phatak for the office of Director.

Professor Deepak Phatak (born on 2<sup>nd</sup> April 1948) obtained his Bachelor's degree in Electrical Engineering from SGSITS Indore in 1969, and his M. Tech and Ph D from IIT Bombay. He has been serving with IIT Bombay since 1971. He headed the CSE department from 1991 to 1994. He was the first Dean of Resources of the Institute from 1995 to 1998. He was the founding head of the Kanwal Rekhi School of IT from 1998 to 2002. He briefly served as head of SJ Mehta School of management, from 2004 to 2005. He is currently Subrao M Nilekani Chair Professor, in the department of Computer Science and Engineering.

He has been a consultant and adviser to many organizations on various issues related to Information Technology. In the financial sector, he has been an I.T. adviser to State Bank of India, Reserve Bank of India, Unit Trust of India, IDBI, Life Insurance Corporation of India, New India Assurance, UIIC, SEBI, NSDL, ECGC, etc. He works on several committees advising Central and State Government departments, on issues related to IT projects. He has worked on the governing boards of NIBM, IDRBT, UTIISL, ISIL, etc. He recently served on the board of Bank of Baroda, and currently serves on the boards of HDFC Asset Management Company and IBPS. He is currently on the IT and HR committees of the Board of Bank of Baroda. He is also a permanent invitee to the payment system Board of RBI.

He was conferred Life time achievement awards by Skoch foundation in 2003, by Data Quest in 2008, and by Dewang Mehta Business School awards in 2010. He was listed among fifty most influential Indians, by Business week in 2009. He received the 'Excellence in Teaching' award of IIT Bombay in 2009; and the IIT Bombay Industrial Impact award in 2010. On 26<sup>th</sup> January 2013, he was conferred the Padma Shri award by the Government of India, for his services in Science and Technology. He has been recently honoured by IIT, Powai with 'Jeevan Gaurav' Award.

## 12.0 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Board in its meeting held on August 27, 2014 constituted a Corporate Social Responsibility Committee pursuant to section 135 of the Companies Act, 2013. The composition of the said Committee is as under -

Members :

1. Dr. Anil Kakodkar (Non-executive Independent Director) (Chairman of the Committee)
2. Dr. R.B.Deshmukh (Non-executive Independent Director)
3. Mr. Vivek Sawant (Managing Director & CEO)

Secretary :

Ms. Komal Chaubal, Company Secretary & Head Legal Affairs, MKCL

Invitee :

Mr. Manoj Narekar, Chief Financial officer, MKCL

---

### 13.0 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.

### 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**

**Anant Sardeshmukh**  
Director

**Vivek Sawant**  
Managing Director & CEO

Place : Mumbai, INDIA.  
Date : August 27, 2014

## AUDITOR'S REPORT

To  
The Members,  
Maharashtra Knowledge Corporation Limited

### Report on the financial statements

We have audited the accompanying financial statements of Maharashtra Knowledge Corporation Limited, which comprise the Balance Sheet as at March 31 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
2. in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
3. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books



- 
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place : Mumbai, INDIA.  
Date : August 27, 2014

## **ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31 ST MARCH 2014**

- 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) Assets acquired during the current year have been verified before it is put to use and the process of physical verification is carried out with regular intervals. We are informed that the reconciliation process is still going on and the effects of the same would be accounted on completion
  - 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) According to the information given to us and based on the review of systems and procedures for physical verification, in our opinion system and procedure for physical verification needs to be improved.
  - 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 feel that the internal audit system needs improvement.
- 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 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 : Mumbai, INDIA  
Date : August 27, 2014

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

(₹ In 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	16,034.58	12,915.17
(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	88.07	77.32
(c) Other Long-term liabilities	2.4	546.88	505.41
(d) Long-term provisions	2.5	236.01	189.70
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	2.6	3,152.46	3,415.89
(c) Other current liabilities	2.7	1,144.42	1,586.88
(d) Short-term provisions	2.8	7,648.20	5,738.90
<b>TOTAL</b>		<b>29,658.64</b>	<b>25,237.29</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	2.9		
(i) Tangible assets		3,748.12	3,868.79
(ii) Intangible assets		74.50	111.68
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	2.10	198.81	138.81
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	2.11	7,853.95	5,967.73
(e) Other non-current assets		-	-
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	2.12	13.19	186.96
(c) Trade receivables	2.13	2,527.18	3,195.22
(d) Cash and cash equivalents	2.14	14,137.32	11,140.18
(e) Short-term loans and advances	2.15	29.28	10.17
(f) Other current assets	2.16	1,076.29	617.75
<b>TOTAL</b>		<b>29,658.64</b>	<b>25,237.29</b>
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our report attached

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

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

**Prakash V. Page**  
Partner

**Anant Sardeshmukh**  
Director

**Vivek Sawant**  
Managing Director & CEO

Place : Mumbai, INDIA  
Date : August 27, 2014

**Manoj Narvekar**  
Chief Financial Officer

**Komal Chaubal**  
Company Secretary & Head-Legal Affairs  
Place : Mumbai, INDIA  
Date : August 27, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

(₹ In Lacs)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	2.17	15,504.80	14,931.19
II. Other income	2.18	1,325.12	1,199.88
<b>III. Total Revenue (I + II)</b>		<b>16,829.92</b>	<b>16,131.07</b>
<b>IV. Expenses</b>			
Expenses on courses & programs	2.19	6,649.18	6,693.96
Purchases of Stock-in-Trade		870.36	1,072.44
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		173.77	28.81
Employee benefits expense	2.20	1,921.39	1,460.34
Depreciation and amortization expense	2.9	252.30	218.03
Other expenses	2.21	1,746.41	1,416.53
<b>Total expenses</b>		<b>11,613.41</b>	<b>10,890.10</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>5,216.51</b>	<b>5,240.97</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>5,216.51</b>	<b>5,240.97</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>5,216.51</b>	<b>5,240.97</b>
X Tax expense:			
(1) Current tax		1,850.00	1,770.00
(2) Deferred tax		10.76	26.69
<b>XI Profit / (Loss) for the period from continuing operations (IX-X)</b>		<b>3,355.75</b>	<b>3,444.28</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit / (loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
<b>XV Profit / (Loss) for the period (XI + XIV)</b>		<b>3,355.75</b>	<b>3,444.28</b>
<b>XVI Earnings per equity share:</b>			
(1) Basic	2.22	41.53	42.63
(2) Diluted	2.22	41.53	42.63
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements.			

As per our report attached

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

**Prakash V. Page**  
Partner

Place : Mumbai, INDIA  
Date : August 27, 2014

**Anant Sardeshmukh**  
Director

**Manoj Narvekar**  
Chief Financial Officer

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

**Vivek Sawant**  
Managing Director & CEO

**Komal Chaubal**  
Company Secretary & Head-Legal Affairs  
Place : Mumbai, INDIA  
Date : August 27, 2014

## CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2014

(AS PER SCHEDULE VI TO THE COMPANIES ACT, 1956)

(₹ In Lacs)

Particulars	Figure as the end of current reporting period	For the year ended 31st March 2013
<b>A. Cash flows from operating activities</b>		
Net profit before tax	5,216.51	5,240.97
<b>Adjustments for:</b>		
Depreciation	252.30	218.03
Interest income	(1,143.65)	(1,043.01)
Dividend & Other income	(181.47)	(80.51)
Loss on Sale of Mutual Funds (Net)	-	-
<b>Operating profit before working capital changes</b>	<b>4,143.69</b>	<b>4,335.48</b>
<b>Adjustments for:</b>		
Sundry debtors and other receivables	190.80	1,073.06
Inventories	173.78	28.81
Current Liabilities and Provision for expenses	(559.08)	(679.54)
<b>Cash generated from operations</b>	<b>3,949.19</b>	<b>4,757.81</b>
Income taxes paid (net of refunds, if any)	(1,920.71)	(2,020.78)
<b>Net cash from operating activities</b>	<b>2,028.48</b>	<b>2,737.03</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(94.46)	(2,451.53)
Investments in Haryana Knowledge Corporation Limited	(60.00)	-
Sale of Investments	-	-
Investments	-	-
Interest income	1,143.65	1,043.01
Dividend & Other income	181.47	80.51
<b>Net cash used for investing activities</b>	<b>1,170.66</b>	<b>(1,328.01)</b>
<b>C. Cash flows from financing activities</b>		
Dividends paid	(202.00)	(202.00)
<b>Net cash from financing activities</b>	<b>(202.00)</b>	<b>(202.00)</b>
<b>Net increase in cash and cash equivalents ( A + B + C )</b>	<b>2,997.14</b>	<b>1,207.02</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,140.18</b>	<b>9,933.17</b>
<b>Cash and cash equivalents at end of period</b>	<b>14,137.32</b>	<b>11,140.18</b>

For P. V. Page & Co.  
Chartered Accountants

**Prakash V. Page**  
Partner

Place : Mumbai, INDIA  
Date : August 27, 2014

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

**Anant Sardeshmukh**  
Director

**Manoj Narvekar**  
Chief Financial Officer

**Vivek Sawant**  
Managing Director & CEO

**Komal Chaubal**  
Company Secretary & Head-Legal Affairs  
Place : Mumbai, INDIA  
Date : August 27, 2014

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

## 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.

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

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

Renewal Fees collected from centers are recognized on accrual basis and on confirmations received from web-based SOLAR application.

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

Revenue from Digital University Business Development Program is recognized as per the count confirmations of admissions received from the web – based Digital University application.

##### **OASIS Business Development Program (OASIS-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 floating rate 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.

During the current financial year the total number of MS-CIT learners registered on web-based SOLAR application were numbering to 7,81,193 which count was considered for revenue in the current financial year. Each MS-CIT learner gets one MS-CIT –Study Material (Book) on payment of MS-CIT fees. During the year there was a short fall in the total number of books, taking in to account the opening inventory plus the purchases made during the year, numbering to 1,11,355. In order to comply with the matching concept of accounting the revenue and its related expenses on accrual basis, additional provision for purchases of books amounting to Rs.90,19,755/- is made, taking to account the above shortfall @ Rs.81/-per book.

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. Land acquired on lease for 99 years or less is treated as leasehold land.

**VI. DEPRECIATION**

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

Cost of leasehold land for 99 years or less is amortized over the remaining lease period.

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.

(₹ In Lacs)

Sr. No.	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>1.</b>	<b>Investments</b>		
-	Rajasthan Knowledge Corporation Limited	60.00	60.00
-	Odisha Knowledge Corporation Limited	60.00	60.00
-	Haryana Knowledge Corporation Limited	60.00	-
-	MKCL International FZE	18.81	18.81
<b>2.</b>	<b>Expenses</b>		
-	Incurred on behalf of MKCL International FZE	23.84	36.31
-	Incurred on behalf of Rajasthan Knowledge Corporation Ltd. (net)	0.90	2.20
-	Incurred on behalf of Odisha Knowledge Corporation Ltd.	1.47	8.47
-	Incurred on behalf of Haryana Knowledge Corporation Ltd.	6.12	-
<b>3.</b>	<b>Income</b>		
-	Sale of books to Rajasthan Knowledge Corporation Limited	647.00	540.00
-	For other service charges to Rajasthan Knowledge Corporation Limited	1393.97	1200.48
-	Dividend Received from Rajasthan Knowledge Corporation Limited	15.00	6.00
-	Sale of books to Odisha Knowledge Corporation Ltd.	-	40.00
-	For other service charges to Odisha Knowledge Corporation Ltd.	113.84	5.00
-	Sale of books to Haryana Knowledge Corporation Ltd.	0.70	-
-	For other service charges to Haryana Knowledge Corporation Ltd.	63.75	-
-	Royalty and Other from MKCL International FZE	614.83	439.01
<b>4.</b>	<b>Receivable</b>		
-	Rajasthan Knowledge Corporation Ltd.	84.89	167.70
-	Odisha Knowledge Corporation Ltd.	138.80	53.94
-	MKCL International FZE	631.86	0.84
-	Haryana Knowledge Corporation Ltd.	70.57	-

Names of related parties and description of relationship –

- |    |   |                      |
|----|---|----------------------|
| 1. | Rajasthan Knowledge Corporation Limited | – Joint Venture      |
| 2. | Odisha Knowledge Corporation Limited    | – Joint Venture      |
| 3. | Haryana Knowledge Corporation Limited   | – Joint Venture      |
| 4. | MKCL International FZE                  | – Subsidiary Company |

## **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.

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

**Prakash V. Page**  
Partner

Place : Mumbai, INDIA  
Date : August 27, 2014

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

**Anant Sardeshmukh**  
Director

**Manoj Narvekar**  
Chief Financial Officer

**Vivek Sawant**  
Managing Director & CEO

**Komal Chaubal**  
Company Secretary & Head-Legal Affairs  
Place : Mumbai, INDIA  
Date : August 27, 2014

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

## NOTE NO 2.1

### SHARE CAPITAL

(₹ In Lacs)

Particulars	As at 31 March 2014		As at 31 March 2013	
	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	8,080,195	808.02
<b>Total</b>	<b>8,080,195</b>	<b>808.02</b>	<b>8,080,195</b>	<b>808.02</b>

## NOTE NO 2.2

### RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
<b>General Reserve Account</b>		
Opening Balance	4,600.00	4,200.00
(+) Current Year Transfer	400.00	400.00
Closing Balance	5,000.00	4,600.00
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	3.69	3.00
(+) Current Year Transfer	2.54	0.69
(-) Written Back in Current Year	-	-
Closing Balance	6.23	3.69
<b>Surplus</b>		
Opening balance	8,311.48	5,504.22
(+) Surplus For the current year	3,355.75	3,444.28
Total Allocable Surplus - (A)	11,667.23	8,948.50
Allocations & Appropriations		
(-) Transfer to Foreign Currency Translation Reserve	2.54	0.69
(-) Transfer to Reserves	400.00	400.00
(-) Proposed Dividends	202.00	202.00
(-) Tax on Dividends	34.33	34.33
(-) Interim Dividends	-	-
Total Allocations & Appropriations -(B)	638.87	637.02
<b>Closing Balance (A-B)</b>	<b>11,028.35</b>	<b>8,311.48</b>
<b>Total</b>	<b>16,034.58</b>	<b>12,915.17</b>

**NOTE NO 2.3**

**DEFERRED TAX LIABILITIES (NET)**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
Deffered Tax Liability		
Opening Balance	77.32	92.44
Transfer during the year	43.49	(15.12)
<b>Total</b>	<b>120.81</b>	<b>77.32</b>
Deferred Tax Asset		
Opening Balance	-	41.81
Transfer during the year	32.74	(41.81)
<b>Total</b>	<b>32.74</b>	<b>-</b>
<b>Total</b>	<b>88.07</b>	<b>77.32</b>

**NOTE NO 2.4**

**OTHER LONG TERM LIABILITIES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Trade Payables		
(b) Others	-	-
Study Material Deposit	327.17	281.04
Performance Guarantee Money	15.12	16.79
Security Deposits	204.60	207.58
<b>Total</b>	<b>546.88</b>	<b>505.41</b>

**NOTE NO 2.5**

**LONG-TERM PROVISIONS**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Provision for employee benefits		
Leave Encashment	221.22	174.91
(b) Others	14.78	14.78
<b>Total</b>	<b>236.01</b>	<b>189.70</b>

**NOTE NO 2.6****TRADE PAYABLES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
Liability towards Network Partners	2,060.08	1,231.83
Creditors for Material & Services	1,027.14	2,092.22
Payable to University	65.24	91.84
<b>Total</b>	<b>3,152.46</b>	<b>3,415.89</b>

**NOTE NO 2.7****OTHER CURRENT LIABILITIES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
a) Unclaimed Dividend	3.64	1.87
b) Unclaimed Share Application Money & Interest	-	0.14
c) Taxes & Duties Payable	-	-
Tax Deducted at Source	85.28	71.78
Service Tax	-	10.56
Tax on Works Contracts under MVAT	-	0.08
d) Others	-	-
Common Marketing Contribution	378.91	334.22
Other Liabilities	676.59	1,168.23
<b>Total</b>	<b>1144.42</b>	<b>1586.88</b>

**NOTE NO 2.8****SHORT TERM PROVISIONS**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
(a) <b>Provision for employee benefits</b>		
Salary & Reimbursements	10.07	6.06
Contribution to ESIC	0.23	0.23
Contribution to Provident Fund	21.28	16.23
Provision for Performance Linked Awards	300.00	250.00
Employee Advance	0.93	-
(b) <b>Others</b>		
Provision for Corporate Income Tax (A.Y. 09-10)	-	0.67
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	1,365.00
Provision for Corporate Income Tax (A.Y. 13-14)	1,770.00	1,770.00
Provision for Corporate Income Tax (A.Y. 14-15)	1,850.00	-
Provision for Proposed Dividend	202.00	202.00
Corporate Dividend Tax Payable	34.33	34.33
<b>Total</b>	<b>7648.20</b>	<b>5738.90</b>

**NOTE NO 2.9  
FIXED ASSETS**

(₹ In Lacs)

Sr. No.	Particulars	Gross Block						Accumulated Depreciation				Net Block	
		Balance as at 1st April 2013	Additions	Deletion / Transfers	Revaluations/ (Impairments)	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2014	Balance as at 31st March 2013	
<b>a</b>	<b>Tangible Assets</b>												
	Land	40.87	-	-	-	40.87	-	-	-	-	40.87	40.87	
	Lease Hold Land	1,684.26	-	-	-	1,684.26	3.44	31.38	-	34.82	1,649.44	1,680.82	
	Office Premises	2,092.66	-	-	-	2,092.66	311.23	89.07	-	400.30	1,692.36	1,781.43	
	Plant and Machinery	1.04	-	-	-	1.04	1.04	-	-	1.04	-	-	
	Furniture and Fixtures	305.30	37.47	-	-	342.77	162.71	28.91	-	191.61	151.15	142.59	
	Office Equipment and Appliances	269.77	3.73	-	-	273.50	177.95	15.94	-	193.89	79.61	91.82	
	Computer Hardware	424.12	29.62	-	-	453.74	379.53	28.56	-	408.10	45.64	44.59	
	Electrical Fittings	115.37	13.58	-	-	128.95	56.71	9.15	-	65.86	63.09	58.66	
	Air Conditioner	49.31	2.23	-	-	51.54	25.13	3.73	-	28.86	22.68	24.18	
	Solar Panels Power Generation Plant	6.46	-	-	-	6.46	2.63	0.53	-	3.16	3.30	3.83	
	<b>Total - a</b>	<b>4,989.15</b>	<b>86.61</b>	<b>-</b>	<b>-</b>	<b>5,075.77</b>	<b>1,120.36</b>	<b>207.28</b>	<b>-</b>	<b>1,327.64</b>	<b>3,748.12</b>	<b>3,868.79</b>	
<b>b</b>	<b>Intangible Assets</b>												
	Computer software	372.21	7.84	-	-	380.06	260.54	45.02	-	305.55	74.50	111.68	
	<b>Total - b</b>	<b>372.21</b>	<b>7.84</b>	<b>-</b>	<b>-</b>	<b>380.06</b>	<b>260.54</b>	<b>45.02</b>	<b>-</b>	<b>305.55</b>	<b>74.50</b>	<b>111.68</b>	
<b>c</b>	<b>Capital Work In Progress</b>												
	<b>Total - c</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>Total - a + b + c</b>	<b>5,361.37</b>	<b>94.46</b>	<b>-</b>	<b>-</b>	<b>5,455.82</b>	<b>1,380.90</b>	<b>252.30</b>	<b>-</b>	<b>1,633.20</b>	<b>3,822.63</b>	<b>3,980.47</b>	
	Previous Period	2,909.83	2,453.77	2.23	-	5,361.37	1,162.87	218.03	-	1,380.90	3,980.47		

**NOTE NO 2.10****NON-CURRENT INVESTMENTS**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
<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		
Odisha Knowledge Corporation Limited	60.00	60.00
6,00,000 Shares @ Rs.10/- each		
Haryana Knowledge Corporation Limited	60.00	-
6,00,000 Shares @ Rs.10/- each		
<b>Total</b>	<b>198.81</b>	<b>138.81</b>

**NOTE NO 2.11****LONG TERM LOANS AND ADVANCES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
<b>a. Capital Advances</b>	-	-
<b>b. Security Deposits</b>		
Unsecured, considered good	100.90	101.31
<b>c. Corporate Income Tax</b>		
Corporate Income Tax Paid (A.Y. 10-11)	1,077.72	1,077.72
Corporate Income Tax Paid (A.Y. 11-12)	999.88	999.88
Corporate Income Tax Paid (A.Y. 12-13)	1,370.81	1,369.96
Corporate Income Tax Paid (A.Y. 13-14)	1,786.32	1,774.85
Corporate Income Tax Paid (A.Y. 14-15)	1,874.36	-
Refund Receivable-Corporate Tax (A.Y. 07-08)	2.73	2.73
Refund Receivable-Corporate Tax (A.Y. 08-09)	13.52	13.52
<b>d. VAT Refund Receivable</b>		
VAT Refund Receivable (F.Y. 09-10)	7.95	8.79
VAT Refund Receivable (F.Y. 10-11)	15.59	15.59
VAT Refund Receivable (F.Y. 11-12)	6.17	6.17
VAT Refund Receivable (F.Y. 12-13)	6.96	7.22
VAT Refund Receivable (F.Y. 13-14)	1.06	-
<b>e. Others-Unsecured, considered good</b>		
Advance to BSNL	590.00	590.00
<b>Total</b>	<b>7,853.95</b>	<b>5,967.73</b>

**NOTE NO 2.12**

**INVENTORIES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
<b>a. Stock-in-trade-At Cost (As certified by the Management)</b>		
Inventory of Books	1.74	174.74
Inventory of Educational Material	1.55	2.33
Inventory of Sugarcane Planters	9.70	9.70
Inventory of Contour Markers	0.20	0.20
<b>Total</b>	<b>13.19</b>	<b>186.96</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	246,250	426,009	669,938	2,321
Educational Material	138	-	-	138
Contour Markers	8	-	-	8
Sugarcane Planters	10	-	-	10
Books for Maharashtra Olympiad Movement Project	-	26,000	26,000	-

**NOTE NO 2.13**

**TRADE RECEIVABLES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	711.56	537.01
Others	1,815.62	2,658.21
<b>Total</b>	<b>2,527.18</b>	<b>3,195.22</b>



**NOTE NO 2.14****CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
a. Balances with banks	1,108.79	2,887.14
b. Cash in hand	1.02	0.33
c. Floating Rate Income Fund	1,060.46	168.72
d. Others-Fixed Deposit	11,967.06	8,083.98
<b>Total</b>	<b>14,137.32</b>	<b>11,140.18</b>

**OTHER DISCLOSURES RELATED TO CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
Earmarked balances with banks (Unpaid Dividends)	4.22	2.71
Balances with banks to the extent held against performance bank guarantees	11.51	1.62
Bank deposits with more than 12 months maturity	7,294.84	6,210.02

**NOTE NO 2.15****SHORT-TERM LOANS AND ADVANCES**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
<b>a. Loans and advances to related parties</b>		
Expenses debited to MKCL International FZE	17.03	0.84
Expenses debited to Odisha Knowledge Corporation Limited	1.47	8.94
Expenses debited to Rajasthan Knowledge Corporation Limited	1.61	-
Expenses debited to Haryana Knowledge Corporation Limited	6.12	-
<b>b. Others (specify nature)</b>		
Employees Advance	-	0.39
Service Tax	3.06	-
<b>Total</b>	<b>29.28</b>	<b>10.17</b>

**NOTE NO 2.16****OTHER CURRENT ASSETS**

(₹ In Lacs)

Particulars	As at 31 March 2014	As at 31 March 2013
Prepaid Expenses	35.90	28.62
Accrued Interest on Fixed Deposits	1,035.29	583.64
Others	5.10	5.48
<b>Total</b>	<b>1,076.29</b>	<b>617.75</b>

**NOTE NO 2.17**

**REVENUE FROM OPERATIONS**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
I. Sale of products	681.71	647.03
II. Sale of services		
Educational Business Development Program (Edu-BDP)		
Revenue from MS-CIT course	8,292.90	8,933.41
Revenue from Other courses	263.21	98.19
	<b>8,556.11</b>	<b>9,031.60</b>
Nationwide Strategic Business Partnership Development Program (NSB-PDP)	<b>1336.16</b>	<b>1204.37</b>
Network Partnership Management Program (NP-MP)		
Registration/Renewal/Processing/Annual/LMS License Fees	<b>337.95</b>	<b>203.54</b>
Digital University- Business Development Program (DU-BDP)	<b>942.96</b>	<b>672.90</b>
OASIS-Business Development Program (OASIS-BDP)		
Online Admissions	905.09	848.85
Recruitment Projects	1,956.74	1,748.09
	<b>2,861.83</b>	<b>2,596.93</b>
eGovernance-Business Development Program (eGov-BDP)		
Design & Development of Digital MLS	89.71	74.84
eTendering Services & Others	74.75	60.85
	<b>164.46</b>	<b>135.69</b>
Excellence & Talent Nurturance Program (Excel-TNP)	<b>10.49</b>	<b>0.13</b>
International Business Development Program (INT-BDP)	<b>613.13</b>	<b>439.01</b>
<b>Total</b>	<b>15,504.80</b>	<b>14,931.19</b>

**NOTE NO 2.18**

**OTHER INCOME**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest Income (On deposits with banks)	1,143.65	1,043.01
Dividend Income	103.99	80.51
Gain/(Loss) on foreign currency	-	23.57
Other non-operating income (net of expenses directly attributable to such income)	77.48	52.79
<b>Total</b>	<b>1325.12</b>	<b>1199.88</b>

**NOTE NO 2.19****EXPENSES ON COURSES & PROGRAMS**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Educational Business Development Program (Edu-BDP)</b>		
<b>Expenses on MS-CIT course</b>		
Share, Exam/Re-Exam Fees, Content Development	4,343.80	3,899.23
Advertisement & Sales Promotion	420.17	677.17
Course Material Related Expenses	387.04	414.03
Expenses on Other Courses	128.48	49.60
	<b>5,279.49</b>	<b>5,040.03</b>
<b>Nationwide Strategic Business Partnerships Development Program (NSB-PDP)</b>	<b>230.69</b>	<b>204.91</b>
<b>Network Partnerships Management Program (NP-MP)</b>	<b>248.83</b>	<b>243.35</b>
<b>Digital University- Business Development Program (DU-BDP)</b>	<b>257.32</b>	<b>261.60</b>
<b>OASIS-Business Development Program (OASIS-BDP)</b>		
Online Admissions	93.84	167.80
Recruitment Projects	443.16	687.34
	<b>537.00</b>	<b>855.13</b>
<b>eGovernance-Business Development Program (eGov-BDP)</b>	<b>6.63</b>	<b>12.01</b>
<b>Excellence &amp; Talent Nurturance Program (Excel-TNP)</b>	<b>59.32</b>	<b>55.78</b>
<b>International Business Development Program (INT-BDP)</b>	<b>29.88</b>	<b>21.14</b>
<b>Total</b>	<b>6,649.18</b>	<b>6,693.96</b>

**NOTE NO 2.20****EMPLOYEE BENEFITS EXPENSES**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
(a) Salaries	1,762.33	1,333.14
(b) Contributions to -		
(i) Provident fund	111.64	88.85
(ii) Gratuity fund	39.36	27.52
(c) Staff welfare expense	8.06	10.84
<b>Total</b>	<b>1,921.39</b>	<b>1,460.34</b>

**NOTE NO 2.21**

**OTHER EXPENSES**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Advertisement/Sales Promotion expenses	20.20	18.07
Education Promotion Teaching and Development Expenses	114.55	-
Auditors Remuneration incl. out of pocket expenses	17.74	18.96
Bank Charges	0.46	0.45
Communication Expenses	56.02	38.86
Donations	500.00	500.00
Electricity charges	70.07	54.59
Taxes with Interest	3.99	0.80
Legal, Professional & Consultancy Charges	98.63	92.22
Maintenance of Offices & Building	120.37	78.72
Meeting Expenses	17.67	12.24
Old Balances Written Off	1.44	19.14
Printing and Stationary	12.27	12.93
Rent Rates Taxes and Insurance	184.64	209.80
Repairs and Maintenance	54.39	33.38
Recruitment Expenses	2.72	27.53
Traveling and Conveyance	55.13	35.31
Website hosting and registration expenses	56.70	67.53
Miscellaneous Expenses	24.29	26.50
Bad Debts	335.15	169.51
<b>Total</b>	<b>1,746.41</b>	<b>1,416.53</b>

**NOTE NO 2.22**

**EARNING PER EQUITY SHARE**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Net Profit attributable to equity shareholders	3,355.75	3,444.29
Weighted average number of equity shares outstanding	8,080,195	8,080,195
<b>Earnings Per Share Basic &amp; Diluted (Rs.)</b>	<b>41.53</b>	<b>42.63</b>

**NOTE NO 2.23****EARNING IN FOREIGN EXCHANGE**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Royalty and other income from MKCL International FZE	614.83	439.01
<b>Total</b>	<b>614.83</b>	<b>439.01</b>

**NOTE NO 2.24****EXPENSES IN FOREIGN EXCHANGE**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Foreign Travel Expenses	2.99	1.48
On Software Services	3.48	-
<b>Total</b>	<b>6.47</b>	<b>1.48</b>

**NOTE NO 2.25****DIRECTORS REMUNERATION**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Salary	15.40	13.45
Performance linked awards	6.02	5.83
Other Allowances	9.48	7.55
Contributions to PF	1.85	2.75
Perquisites	8.22	7.86
Gratuity	0.64	3.64
Leave Encashment	-	5.37
<b>Total</b>	<b>41.61</b>	<b>46.45</b>

**NOTE NO 2.26**

**PAYMENT TO THE AUDITORS**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
As :		
a) Auditors	16.85	16.85
b) For Taxation Audit	1.69	1.69
c) For Taxation matters	1.99	0.78
d) For Company Law Matters		
d) For Consultancy Services	1.24	1.35
e) For Management Services	-	-
f) For Other Services	0.17	0.61
g) For Reimbursement of Expenses	0.15	0.04
<b>Total</b>	<b>22.09</b>	<b>21.32</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 Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Lease Rental recognized during the year</b>		
Mumbai Office	6.30	6.30
Pune Offices and Guest House	160.01	87.02
Lucknow Office	7.35	6.63
Vashi Office	5.81	104.49
<b>Total of Lease on Office premises</b>	<b>179.47</b>	<b>204.44</b>
<b>Lease Obligations payable</b>		
Not later than one year of the Balance Sheet date	160.78	159.01
Later than one year and not later than five years	433.25	148.89
Later than five years	-	563.37

**NOTE NO 2.28**  
**SEGMENT REPORTING**  
**REPORTABLE SEGMENT**

Educational Business Development Program (Edu-BDP), OASIS- BDP & DU-BDP are identified as reportable Primary segments 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 these activities constitutes more than 75% of the total revenue of the Company.

(₹ In Lacs)

Particulars	For the period ended 31st March 2014				For the period ended 31st March 2013								
	PRIMARY SEGMENT		Total PRIMARY SEGMENT	Total	PRIMARY SEGMENT		Total PRIMARY SEGMENT	Total					
	Edu- BDP	OASIS- BDP			DU- BDP	Other			Edu- BDP	OASIS- BDP	DU- BDP	Other	
<b>Revenue</b>													
Revenue from Business Development Program	8,556.11	2,861.83	12,360.91	15,504.80	9,031.60	2,596.93	672.90	12,301.44	2,629.76	14,931.19			
Other Income				1,325.12						1,199.88			
<b>Total Revenue</b>				<b>16,829.92</b>						<b>16,131.07</b>			
<b>Expenses</b>													
Direct expenses attributable to Business Development Program	5,846.52	537.00	6,640.84	7,693.31	5,700.15	855.14	261.60	6,816.90	978.31	7,795.20			
Other Allocable Expenses	1,208.00	483.03	2,042.99	2,702.05	1,050.53	361.15	172.10	1,583.78	441.09	2,024.87			
Unallocable Expenses				1,218.05						1,070.03			
<b>Total Expenses</b>				<b>11,613.41</b>						<b>10,890.10</b>			
<b>Profit Before Tax</b>				<b>5,216.51</b>						<b>5,240.97</b>			

**NOTE NO 2.29**

**CONTINGENT LIABILITIES**

(₹ In Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Outstanding Bank Guarantees for - Performance guarantee for services given	11.51	1.62
<b>Total Contingent Liabilities</b>	<b>11.51</b>	<b>1.62</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 10th 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.
- The Company is going into appeal against the 143(3) order issued by the Income Tax Department for F.Y. 2009-2010 i.e. for A. Y 2010-2011. The Income Tax demand raised in the 143 (3) order of Rs.14.27 lakhs, against this the company has already paid Rs.7.00 lakhs, as a pre-requisite for going into appeal. The balance amount of demand of Income Tax of Rs.7.27 lakhs is of contingent nature, subject to outcome of the appeal.

**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.



**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	01/04/2013 to 31/03/2014
3	(a) No. of shares held in subsidiary company as at 31st March, 2013 (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 01/04/2013 to 31/3/2014	Profit of Rs. 250.21 lacs (AED 15,38,348/-)
	(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 01/04/2013 to 31/3/2014	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.**

**Anant Sardeshmukh**  
Director

**Vivek Sawant**  
Managing Director & CEO

**Manoj Narvekar**  
Chief Financial Officer

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

Place : Mumbai, INDIA  
Date : August 27, 2014

## INDEPENDENT AUDITORS' REPORT

To  
The Shareholder  
MKCL International (FZE),  
P.O. Box. 42283, Hariyah Free Zone, 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, 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Emr 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, 2013, and its financial performance and its cash flows for the year ended 31st March, 2013 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 1s2, 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

**Redha Darwish Al Rahma**  
Reg. No. 368, Dubai, U.A.E.

Date : 31st May, 2014

Ref. No. AAA/2939/14

## MKCL INTERNATIONAL (FZE)

HAMRIYAH FREE ZONE, SHARJAH, U.A.E

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 STATEMENT OF FINANCIAL POSITION

Particulars	Note	2014 AED	2013 AED
<b>Assets</b>			
<b>Non Current Assets</b>			
Investments	4	510,757	510,757
<b>Current Assets</b>			
Due from related party	5	3,038,920	233,167
Cash and cash equivalents	6	6,527,627	4,009,043
<b>Total Current Assets</b>		<b>9,566,547</b>	<b>4,242,210</b>
<b>Total Assets</b>		<b>10,077,304</b>	<b>4,752,967</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	2	150,000	150,000
Retained earnings		6,131,559	4,593,211
<b>Total Equity</b>		<b>6,281,559</b>	<b>4,743,211</b>
<b>Current Liabilities</b>			
Due to related party	7	3,792,745	4,756
Trade and other payables	8	3,000	5,000
<b>Total Liabilities</b>		<b>3,795,745</b>	<b>9,756</b>
<b>Total Equity and Liabilities</b>		<b>10,077,304</b>	<b>4,752,967</b>

These financial statements have been approved and signed by the undersigned on 20th May, 2014.

For MKCL International (FZE)

Authorized Signatory

## MKCL INTERNATIONAL (FZE)

HAMRIYAH FREE ZONE, SHARJAH, U.A.E

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note	2014 AED	2013 AED
Administration expenses	9	(3,735,054)	(3,199,023)
<b>Operating loss</b>		<b>(3,735,054)</b>	<b>(3,199,023)</b>
Other income	10	5,276,334	6,053,661
Exchange fluctuation		(2,677)	(14,321)
Finance cost		(255)	(384)
<b>Profit for the year</b>		<b>1,538,348</b>	<b>2,839,933</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,538,348</b>	<b>2,839,933</b>

These financial statements have been approved and signed by the undersigned on 20th May, 2014.

For MKCL International (FZE)

Authorized Signatory

## MKCL INTERNATIONAL (FZE)

HAMRIYAH FREE ZONE, SHARJAH, U.A.E

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 STATEMENT OF CHANGES IN EQUITY

	Share Capital AED	Retained Earnings AED	Total Equity AED
As at 01st April, 2012	150,000	1,753,278	1,903,278
Total comprehensive profit for the year	-	2,839,933	2,839,933
<b>Balance at 31st March, 2013</b>	<b>150,000</b>	<b>4,593,211</b>	<b>4,743,211</b>
Total comprehensive profit for the year	-	1,538,348	1,538,348
<b>Balance at 31st March, 2014</b>	<b>150,000</b>	<b>6,131,559</b>	<b>6,281,559</b>

These financial statements have been approved and signed by the undersigned on 20th May, 2014.

For MKCL International (FZE)

Authorized Signatory

## MKCL INTERNATIONAL (FZE)

HAMRIYAH FREE ZONE, SHARJAH, U.A.E

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 STATEMENT OF CASH FLOWS

Particulars	2014 AED	2013 AED
<b>Cash flows from operating activities</b>		
Profit for the year	1,538,348	2,839,933
<b>Adjustment -:</b>		
Changes in working capital:		
Due from related party	(2,805,753)	148,726
Due to related party	3,787,989	(1,050,778)
Other payables	(2,000)	2,000
<b>Cash generated from operations</b>	<b>2,518,584</b>	<b>1,939,881</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>2,518,584</b>	<b>1,939,881</b>
<b>Net cash movement for the year</b>	<b>2,518,584</b>	<b>1,939,881</b>
Cash and cash equivalents at the beginning of the year	4,009,043	2,069,162
<b>Cash and cash equivalents at the end of the year</b>	<b>6,527,627</b>	<b>4,009,043</b>

These financial statements have been approved and signed by the undersigned on 20th May, 2014.

For MKCL International (FZE)

Authorized Signatory

## MKCL INTERNATIONAL (FZE)

HAMRIYAH FREE ZONE, SHARJAH, U.A.E

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 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 no. 1324 and commercial licence no. 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.Neelendra Prabhu, an Indian national.

#### 2 SHAREHOLDING

The shareholding of the (FZE) is as follows:

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

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

##### 3.1 Statement of compliance

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

##### 3.2 Accounting convention

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.

##### 3.4 Foreign currency transactions

Foreign currency transactions are recorded in U.A.E. Dirham's 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. Dirham's at the year-end rate of exchange. All foreign currency gains or losses are booked in the statement of comprehensive income as and when they arise.



Particulars	2014 AED	2013 AED
<b>4 INVESTMENTS</b>		
Investments in MKCL Arabia Ltd.	510,757	510,757
	<b>510,757</b>	<b>510,757</b>
<b>5 DUE FROM RELATED PARTY</b>		
MKCL Arabia Ltd.	3,024,614	233,167
MKCL Lanka Pvt. Ltd.	14,306	-
	<b>3,038,920</b>	<b>233,167</b>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	6,527,627	4,009,043
	<b>6,527,627</b>	<b>4,009,043</b>
<b>7 DUE TO RELATED PARTY</b>	3,792,745	4,756
	<b>3,792,745</b>	<b>4,756</b>
<b>8 OTHER PAYABLES</b>		
Provision for expenses	-	2,000
Accrued expenses	3,000	3,000
	<b>3,000</b>	<b>5,000</b>
<b>9 ADMINISTRATION EXPENSES</b>		
Rent	-	9,809
Travelling, transportation and conveyance	11,325	62,650
Legal, professional and visa charges	35,937	5,000
Postage, telephone & communication expenses	2,354	-
Lodging and accommodation expenses	1,406	15,895
Recruitment expenses	-	3,930
Royalty expenses	3,681,032	3,022,560
Other expenses	3,000	79,179
	<b>3,735,054</b>	<b>3,199,023</b>
<b>10 OTHER INCOME</b>		
Dividend on investment	5,263,890	6,014,442
Interest income	12,444	39,219
	<b>5,276,334</b>	<b>6,053,661</b>

## **11 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, 2014.

## **12 INTEREST RATE RISK**

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March, 2014 are not interest based.

## **13 EXCHANGE RATE RISK**

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

## **14 CONTINGENCIES AND COMMITMENTS**

As at 31st March, 2014, the (FZE) had no contingencies and commitments.

## **15 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 off to nearest AED 1/-.

These financial statements have been approved and signed by the undersigned on 20th May, 2014.

For **MKCL International (FZE)**

**Authorized Signatory**



**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 25631300 / 301

**MKCL's Branch office**

ICC Trade Tower, 'A' Wing, 6th floor, Senapati Bapat Road, Pune: 411016 Maharashtra, INDIA, Tel No. : +91 - 20 67207300 / 301

**MKCL's Branch Office,**

MS-IHMCT Campus, Ground Floor, 412-C Shivaji Nagar, Pune 411016, Maharashtra, INDIA, Tel No. : +91- 20 25661394

**MKCL's Branch Office,**

1st Floor, DVET Bldg. Elphinstone Technical High School Campus, 3 Mahapalika Marg, Mumbai 400001, Maharashtra, INDIA, Tel.No. : +91 22 -2265 9908 Fax no : +91 22 2265 9910

**MKCL's Branch Office,**

Plot No. 30, Sector 42-A, Nerul, Navi Mumbai 400 706, Maharashtra, India. Tel No : +91 22 27715 021 / 022 / 025 Fax No : +91 22 27715 026

**MKCL's Branch Office,**

Premises No. 77, 1st Floor, Halwasiya Market, M.G. Road, Hazrat Ganj, Lucknow 226001, Uttar Pradesh, INDIA, Tel. No. : +91-522-4071 672



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