

BOARD OF DIRECTORS

Mr. Rajesh Tope, Chairman	Mr. Rajendra Barwale	Dr. Nishigandha Dewoolkar
Mr. D.P.Sawant, Vice-Chairman	Mr. Anant Sardeshmukh	Dr. Rajan Welukar
Mr. Sanjay Kumar	Dr. Rajaram Deshmukh	Dr. N.J.Pawar
Dr. Anil Kakodkar	Dr. Dilip Boralkar	Mr. Vivek Sawant, MD & CEO

COMPANY SECRETARY

Ms. Komal Chaubal, Head – Legal Affairs & Information Officer

AUDITORS

P.V.Page & Co., Chartered Accountants

BANKERS

HDFC Bank, AXIS Bank, ICICI Bank, Bank of India, State Bank of India.

REGISTERED OFFICE

ICC Trade Tower, 'A' Wing, 5th Floor, Senapati Bapat Road, Shivajinagar, Pune 411 016.
INDIA. Tel.:+91 20 40114500/501. Fax: +91 20 2563 0302

BRANCH OFFICES

ICC 'B' WING, PUNE

ICC Trade Tower, 'B' Wing,
5th Floor, Senapati Bapat Road,
Shivajinagar, Pune 411 016.

ICC 6th FLOOR, PUNE

ICC Trade Tower, 6th Floor,
Senapati Bapat Road,
Shivajinagar, Pune 411 016.
Tel. 020 30244500/501

HMCT, PUNE

Maharashtra State Institute of Hotel
Management & Catering Technology Bldg.,
412-C, Shivajinagar, Pune 411 016.
Tel. 020 25661317/18

CST, MUMBAI

1st Floor, DVET Bldg.,
Elphinstone Technical High School Campus,
3 Mahapalika Marg, Mumbai 400 001.
Tel. 022 22659910/08

LUCKNOW, UTTAR PRADESH

Premises No. 77, 1st Floor,
Halwasiya Market,
M.G. Road, Hazrat Ganj, Lucknow 226001
Tel. 0522 4071672

SEAWOOD, NAVI MUMBAI

Plot No. 30, Sector 42-A
Nerul, Navi Mumbai 400 706

DIRECTORS' REPORT

To the Members of Maharashtra Knowledge Corporation Limited

Your Directors are pleased to present the 12th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2013.

1.0 Financial Highlights

The summary of the financial results for the year ended March 31, 2013 vis-à-vis those of the previous year are summarized below:

	<i>(` In Lacs)</i>	
	2012-2013	2011-2012
Gross Profit before interest, depreciation and tax	5459.00	3935.95
Less : Interest	-	-
Depreciation	218.03	226.16
	5240.97	3709.79
Profit/(Loss) Before Taxes		
Less : Provision for Current Tax	1770	1365
Provision for Deferred Tax	26.69	9.94
	3444.28	2334.85
Profit After Taxes		
Less : Transfer to Foreign currency translation Reserve	0.69	2.68
Transfer to General Reserve	400	300
Proposed Dividend on Equity Shares	202	202
Tax on Dividend	34.33	32.77
Profit carried to Balance Sheet	2807.26	1797.40

RESULTS OF OPERATIONS

2.1 Business Performance

2.1.1 Revenues

Total revenues for the year ended March 31, 2013 amounted to 16131.08 Lacs as against 12837.82 Lacs for the corresponding previous year, thereby registering a growth of 25.65 % over previous year.

2.1.2 Profits after Tax

The Profits after tax for the year ended March 31, 2013 amounted to 3444.28 Lacs as against 2334.85 Lacs for the previous year, which is 47.52% higher than previous year.

This is due to various reasons like MS-CIT learners in 11-12 were 7,37,565 and in 12-13 the MS-CIT learners were 9,33,838, at an increase of 26.61% over the last year which has substantially increased the revenue of 12-13 by Rs.1353.06 Lacs (Net) and the corresponding profits thereon. Increase in OASIS-Business Development Program (OASIS-BDP) revenue under Recruitment Projects from Rs.1132.08 Lacs in 11-12 to Rs.1748.09 Lacs in 12-13 at an increase of 54.41%, increase in revenue from our JV namely Rajasthan Knowledge Corporation Ltd.(RKCL) taken under National Strategic Business Partnership Development Program (NSB-PDP) from Rs.233.06 Lacs in 11-12 to Rs.1200.95Lacs in 12-13 at an increase of 415.30%, correspondingly there is increase in Sale of RS-CIT books to RKCL from Rs.155 Lacs in 11-12 to Rs.540 Lacs in 12-13 at an increase of 248.38%. Also there is increase in Digital University -Business Development Program (DU-BDP) revenue from Rs.535.16 Lacs to Rs.672.90 Lacs at an increase of 25.74%.

2.1.3 General Reserves

The Board of Directors proposes to transfer Rs.400 Lacs to the General Reserves, out of profits earned by the Company for the year ended March 31, 2013.

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 12th Annual General Meeting, will be paid to those members whose name will appear in the Register of Members as on the date of the 12th 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 2012-13, internal cash flow has adequately covered working capital requirements, investments and dividend payments, leaving a surplus of Rs.1207.01Lacs. As on March 31, 2013, we had liquid assets of Rs.11140.18 Lacs as against Rs.9933.17 Lacs at the previous year end. These funds have been deployed with Banks.

3.0 INTERNAL CONTROLS

3.1 Internal Audit System

M/s. B.G.Umarani & Co. Chartered Accountants, has been appointed as Internal Auditors of the Company till the conclusion of the 12th Annual General Meeting of the Company.

4.0 SUBSIDIARY

4.1 MKCL International FZE – 100% Subsidiary of the Company

MKCL International FZE booked profit of AED 28,39,933/- (Rs.420.15 Lacs) in 2012-13 as against loss of AED 4,35,199/- (Rs.61.43 Lacs) in 2011-12.

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 six eminent experts from various sectors of knowledge as the independent directors.

Transformative Agenda:

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

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

In order to address all these six challenges simultaneously, MKCL 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 **eleven years**, more than **8.5 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.

These 5000+ ALCs are equipped with state-of-the-art computing infrastructure on LANs with their own 5000+ proxy servers backed up by MKCL's formidable, scalable and secure server farm infrastructure with server virtualization and dynamic load balancing technologies at the central data center and **about 40,000 personal computers**. These computers are equipped with state-of-the-art operating systems, antivirus software, application software and broadband internet connectivity. 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 5000+ 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 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 academic progression data has emerged as a rich repository for **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 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 **English and Hindi as well as many regional Indian languages and many foreign languages**, world-class 4-colour and highly illustrated printed study material with learner-development-centric pedagogy and constructivist instructional design and seamless convergence of learning and continuous assessment are some of the hallmarks of the education experience MKCL brings to the millions at an affordable cost.

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

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

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

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

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

eLearning courses for Amateur Astronomers. Gram Rojgar Sevaks were also launched this year through ERA framework. MKCL' English Typing Speed Test was also launched this year through ERA framework.

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 ten 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 exceeding about **8 Billion+ US Dollars** in a transparent and secure manner with significant reductions in procurement life-cycles and procurement costs. This solution, apart from being applicable to individual companies, is also being preferred by sector-wise associations of various industry verticals to cut down the cost of raw materials by the periodic collective/group procurement for their members.
- MKCL has also designed and partially developed a comprehensive framework for eGovernance of **Maharashtra Legislative Secretariat (MLS)**.
- MKCL in partnership with Odisha Knowledge Corporation Limited (OKCL) designed, developed and successfully deployed in 314 Blocks of Odisha under Grama Sabha Sashatikaran Karjyakrama (Gssk), a Bottoms-Up/ Grassroot level 12th five year participative planning framework for panchayats. By using this framework 6236 Gram Sabhas and 51,349 Palli Sabhas could electronically upload their 12th five plans for various development schemes namely IAY (Indira Awaas Yojna), BRGF (Backward Regions Grant Fund), GGY (Gopabandhu Gramin Yojna), CC Road (Cement Concret Road), MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) in just 7 days. A **bottoms-up eGovernance Framework** of such a grandiose scale has been designed, developed, successfully deployed and extensively and simultaneously used by 6228 users for the first time in India. Massive 84,76,604 unique beneficiaries and project were identified under this program.

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

Excellence and Talent Nurturance Program:

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

Other Products and Services:

Apart from these products and services, MKCL also has developed state-of-the-art transformative frameworks such as:

1. **MKCL OS** (Repository of commonly required/reusable software components)
2. **MKCL Finishing Schools** (in partnership with Industries and Universities)
3. **MKCL's EASY** (for Employment Assistance Services to Youth)
4. **MKCL's Assessment and Accreditation Framework**
5. **MKCL's Digital Schools Framework**
6. **MKCL's Libraria** (for Library Automation of educational institutions)
7. **MKCL's Libraria** (for Directorate of Libraries)
8. **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 eleven 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 last financial year i.e up to 2011-12 wherein the total course fees per learner of MS-CIT course was booked as Revenue. As a result the figures stated in the Statement of Profit and Loss pertaining to Financial Year 2011-12, corresponding to Revenue and Expenses, wherever applicable are reworked on net basis for proper accounting.

Based on the above accounting on net basis of Revenue and Expenses, your Company's turnover for the year 2012-13 has exceeded Rs.1600 million as against Rs.1283.78 million of 2011-12. Similar comparative figures on gross basis of Revenue and Expenses would show a turnover for the year 2012-13 exceeding Rs.3440 million as against Rs.2729 million of 2011-12. The profit before tax for the year 12-13 has exceeded Rs.524 million as against Rs.370 million of 2011-12. 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.1470 million to the

Government of Maharashtra in last eleven years by way of dividends, fees, taxes, etc. and Rs.946 million to the Government of India by way of taxes. Financially MKCL could have done even better; however, MKCL's focus has been on the **maximization of social impact rather than the maximization of financial profits.**

Youth Empowerment:

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

Spread in India:

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

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.

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

Spread Abroad:

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

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

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

6.1 Conservation of Energy

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

6.2 Technology Absorption

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

6.3 Foreign Exchange Earnings and Outgo

During the period under review, the foreign exchange earnings were Rs.439.01Lacs and the foreign exchange outgo was Rs.1.48 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, 2013.

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, 2013.

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, 2013 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			
		26.06.2012	22.08.2012	04.12. 2012	07.03. 2013
Mr. Rajesh Tope	Government Nominee	Attended	Attended	Attended	Attended
Mr. D.P.Sawant	Government Nominee	Attended	Attended	Attended	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	Attended	Attended	Attended
Mr. Rajendra Barwale	Independent	Leave of Absence	Attended	Leave of Absence	Attended
Mr. Anant Sardeshmukh	Independent	Leave of Absence	Attended	Attended	Leave of Absence
Dr. R. B. Deshmukh	Independent	o	o	o	Attended
Dr. Dilip Boralkar	Independent	o	o	o	Attended
Dr. Mrs. Nishigandha Dewoolkar	Independent	Attended	Attended	Leave of Absence	Leave of Absence
Dr. Rajan Welukar	University Representative	Attended	Leave of Absence	Attended	Leave of Absence
Dr. N.J.Pawar	University Representative	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence
Mr. Vivek Sawant	Managing Director	Attended	Attended	Attended	Attended

o *Not a member of the Board during the period of those meetings.*

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	02.05.2012	Attended	Attended	Attended
2	01.08.2012	Attended	Leave of Absence	Attended
3	13.08.2012	Attended	Attended	Attended
4	01.11.2012	Attended	Leave of Absence	Attended
5	01.02.2013	Attended	Leave of Absence	Attended

10.3 Dissolution of Board Committee

In view of the Board's decision to presently not launch an IPO, the IPO Committee had become defunct. As such it was dissolved by the Board in its meeting held on December 04, 2012.

11.0 DIRECTORS

11.1 Appointment of Directors

Dr. Rajaram B. Deshmukh – In the Board Meeting held on December 04, 2012, Dr. Rajaram B. Deshmukh, was appointed as a Director (in the expert category `Agriculture`) in the casual vacancy caused by cessation of Professor Ram Takwale. His appointment became effective from January 31, 2013. Dr. R.B.Deshmukh is ex-Director, Agriculture Science & Technology Division, Vasantdada Sugar Institute and ex-Vice Chancellor of Mahatma Phule Krishi Vidyapeeth, Rahuri. Dr. Deshmukh completed his post graduation in Cytogenetics and Plant Breeding in First Class from College of Agriculture of Pune University. He also is a Ph.D. from Mahatma Phule Krishi Vidyapeeth. He has worked on several Committees of the Universities, State Government and the ICAR. His contribution in the field of research and development were recognized by several national and international agencies. Some of the important awards are Colombo Plan Award 1992, ISPRD National Award 1998, ICRISAT'S "Doreen Mashler" International Award 2002, CGIAR'S "King Baudouin" International Award 2002.

Dr. Dilip Boralkar – Further, in the Board Meeting held on December 04, 2012, Dr. Dilip B. Boralkar, was appointed as an additional Director (in the expert category `Environment`). His appointment became effective from January 02, 2013. Dr. Dilip B. Boralkar, is a M.Sc. from Marathwada University, Aurangabad. He obtained his Ph.D. from Mumbai University in 1979 on the subject of assessment of air pollution impacts. Dr. Boralkar worked in the Central Pollution Control Board (CPCB) from 1982–2008. He was on deputation from CPCB

to the Maharashtra Pollution Control Board (MPCB) as Senior Scientific Officer, In-charge of the Central Laboratory from 1993-1996 and again as its Member Secretary (CEO) from 2003-2007. He has in-depth experience of 34 years of working within State level and Central level regulatory agencies dealing with multidisciplinary fields of environment protection such as pollution control, survey and assessment, etc. He has 45 research publications to his credit and is author of book "Waste Minimisation - A Training Manual." The USAID and USAEP bestowed their "Environmental Leadership Award" for 2005 on Dr. Boralkar for his notable environment protection work. Presently, he is Free Lance Senior Scientist and Professional Counsel for Environment Protection.

11.2 Directors retiring by rotation

Dr. Anil Kakodkar, Dr. Rajan Welukar and Mr. Anant Sardeshmukh Directors of the Company retire at the ensuing 12th Annual General Meeting and being eligible offer themselves for re-appointment.

11.3 Additional Director

Dr. Dilip B. Boralkar was appointed as Additional Director under section 260 of the Companies Act, 1956 and as such shall hold the office only upto the date of this Annual General Meeting. The Company has received due notice in writing along with requisite deposit amount under Section 257 of the Act proposing his candidature for the office of Director.

12.0 AUDITORS:

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

13.0 ACKNOWLEDGEMENTS:

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

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

Rajesh Tope
Chairman

Place: Pune, INDIA.
Date: June 20, 2013

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 2013, 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, 2013;
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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

Place: Mumbai
Date: 20th June 2013

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

**ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF
EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31 ST
MARCH 2013**

I. In respect of the fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) Majority of fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. We are informed that 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 strongly 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
Date: 20th June 2013

Maharashtra Knowledge Corporation Limited
Balance Sheet as at 31st March 2013

(In Rupees Lacs)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	808.02	808.02
(b) Reserves and surplus	2.2	12,915.17	9,707.23
(c) Money received against share warrants			
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	2.3	#VALUE!	#VALUE!
(c) Other Long-term liabilities	2.4	505.41	519.78
(d) Long-term provisions	2.5	189.70	146.79
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	2.6	3,415.89	5,418.90
(c) Other current liabilities	2.7	1,586.88	351.10
(d) Short-term provisions	2.8	5,738.90	3,908.19
TOTAL		#VALUE!	#VALUE!
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	2.9		
(i) Tangible assets		3,868.79	1,605.89
(ii) Intangible assets		111.68	138.85
(iii) Capital work-in-progress		-	2.23
(iv) Intangible assets under development		-	-
(b) Non-current investments	2.10	138.81	138.81
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	2.11	5,967.73	3,914.67
(e) Other non-current assets			
2 Current assets			
(a) Current investments		-	-
(b) Inventories	2.12	186.96	215.77
(c) Trade receivables	2.13	3,195.22	4,594.52
(d) Cash and cash equivalents	2.14	11,140.18	9,933.17
(e) Short-term loans and advances	2.15	10.17	40.10
(f) Other current assets	2.16	617.75	326.64
TOTAL		25,237.29	20,910.63

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

For and on behalf of the Board

Maharashtra Knowledge Corporation Ltd.

Prakash V. Page
Partner

Rajesh Tope
Chairman

Vivek Sawant
Managing Director & CEO

Manoj Narvekar
Chief Accounts Officer

Place: Pune, INDIA.

Date: June 20, 2013

Komal Chaubal

Company Secretary & Head - Legal Affairs

Place: Pune, INDIA.

Date: June 20, 2013

Maharashtra Knowledge Corporation Limited
Statement of Profit and Loss for the year ended 31st March 2013

(In Rupees Lacs)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	2.17	14,931.19	11,551.10
II. Other income	2.18	1,199.88	1,286.72
III. Total Revenue (I + II)		16,131.08	12,837.82
IV. Expenses			
Expenses on courses & programs	2.19	6,693.96	5,579.53
Purchases of Stock-in-Trade		#VALUE!	#VALUE!
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		#VALUE!	#VALUE!
Employee benefits expense	2.20	1,460.34	1,211.43
Depreciation and amortization expense	2.9	#VALUE!	#VALUE!
Other expenses	2.21	1,416.53	1,471.20
Total expenses		#VALUE!	#VALUE!
Profit before exceptional and extraordinary items and tax (III-IV)		#VALUE!	#VALUE!
V. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		#VALUE!	#VALUE!
VIII. Extraordinary Items		#VALUE!	#VALUE!
IX. Profit before tax (VII- VIII)		#VALUE!	#VALUE!
X Tax expense:			
(1) Current tax		#VALUE!	#VALUE!
(2) Deferred tax		#VALUE!	#VALUE!
XI Profit (Loss) for the period from continuing operations (IX-X)		#VALUE!	#VALUE!
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		#VALUE!	#VALUE!
XVI Earnings per equity share:			
(1) Basic	2.22	#VALUE!	#VALUE!
(2) Diluted	2.22	#VALUE!	#VALUE!
Significant Accounting Policies		1	
The accompanying notes form an integral part of the financial statements			

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

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

Prakash V. Page
Partner

Rajesh Tope
Chairman

Vivek Sawant
Managing Director & CEO

Manoj Narvekar
Chief Accounts Officer

Place: Pune, INDIA.
Date: June 20, 2013

Komal Chaubal
Company Secretary & Head - Legal Affairs

Place: Pune, INDIA.
Date: June 20, 2013

Maharashtra Knowledge Corporation Limited
Cash Flow Statement for the period ended on 31st March 2013
(As per Schedule VI to the Companies Act, 1956)

(In Rupees Lacs)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
A. Cash flows from operating activities		
Net profit before tax	5,240.97	3,709.79
<u>Adjustments for:</u>		
Depreciation	218.03	226.16
Interest income	(1,043.01)	(571.12)
Dividend income	(80.51)	(192.59)
Loss on Sale of Mutual Funds (Net)	-	305.68
Operating profit before working capital changes	4,335.48	3,477.92
<u>Adjustments for:</u>		
Sundry debtors and other receivables	1,073.06	218.64
Inventories	28.82	(196.04)
Current Liabilities and Provision for expenses	(679.54)	27.11
Cash generated from operations	4,757.82	3,527.63
Income taxes paid (net of refunds, if any)	(2,020.78)	(1,491.75)
Net cash from operating activities	2,737.03	2,035.88
B. Cash flows from investing activities		
Purchase of fixed assets	(2,451.53)	(33.08)
Investments in Odisha Knowledge Corporation Limited	-	(60.00)
Sale of Investments	-	356.68
Investments	-	-
Interest income	1,043.01	571.12
Dividend income	80.51	192.59
Net cash used for investing activities	(1,328.01)	1,027.31
C. Cash flows from financing activities		
Dividends paid	(202.00)	(161.60)
Net cash from financing activities	(202.01)	(161.60)
Net increase in cash and cash equivalents (A + B + C)	1,207.01	2,901.59
Cash and cash equivalents at beginning of period	9,933.17	7,031.58
Cash and cash equivalents at end of period	11,140.18	9,933.17

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

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

Prakash V. Page
Partner

Rajesh Tope
Chairman

Vivek Sawant
Managing Director & CEO

Manoj Narvekar
Chief Accounts Officer

Place: Pune, INDIA.
Date: June 20, 2013

Komal Chaubal
Company Secretary & Head - Legal Affairs

Place: Pune, INDIA.
Date: June 20, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note No 2.1

Share Capital

(In Rupees Lacs)

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	Rupees	Number	Rupees
<u>Authorised Share Capital</u> Equity Shares of Rs. 10 each	20,000,000	2,000.00	20,000,000	2,000.00
<u>Issued, Subscribed & Paid Up Share Capital</u> Equity Shares of Rs. 10 each, fully Paid Up	8,080,195	808.02	8,080,195	808.02
Total	8,080,195	808.02	8,080,195	808.02

Share Holding Pattern

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of Total Paid Up	No. of Shares held	% of Total Paid Up
Department of Higher & Technical Education, Government of Maharashtra	3,000,000	37.13	3,000,000	37.13
10 Universities	2,740,000	33.91	2,740,000	33.91
Others	2,340,195	28.96	2,340,195	28.96
Total	8,080,195	100.00	8,080,195	100.00

Note No 2.2

Reserves & Surplus

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
General Reserve Account		
Opening Balance	4,200.00	3,900.00
(+) Current Year Transfer	#VALUE!	300.00
Closing Balance	#VALUE!	4,200.00
Foreign Currency Translation Reserve		
Opening Balance	3.00	0.32
(+) Current Year Transfer	#VALUE!	2.68
(-) Written Back in Current Year	-	-
Closing Balance	#VALUE!	3.00
Surplus		
Opening balance	5,504.22	3,706.83
(+) Surplus For the current year	3,444.28	2,334.85
Total Allocable Surplus - (A)	8,948.50	6,041.68
Allocations & Appropriations		
(-) Transfer to Foreign Currency Translation Reserve	#VALUE!	2.68
(-) Transfer to Reserves	#VALUE!	300.00
(-) Proposed Dividends	#VALUE!	202.00
(-) Tax on Dividends	#VALUE!	32.77
(-) Interim Dividends		
Total Allocations & Appropriations -(B)	#VALUE!	537.45
Closing Balance (A-B)	#VALUE!	5,504.22
Total	#VALUE!	9,707.23

Note No 2.3**Deferred Tax liabilities (Net)****(In Rupees Lacs)**

Particulars	As at 31st March 2013	As at 31st March 2012
Deffered Tax Liability		
Opening Balance	92.44	82.50
Transfer during the year	(15.12)	9.94
Total	77.32	92.44
Deferred Tax Asset		
Opening Balance	41.81	41.81
Transfer during the year	(41.81)	-
Total	-	41.81
Total	77.32	50.62

Note No 2.4

Other Long Term Liabilities

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Trade Payables	-	-
(b) Others		
Study Material Deposit	#VALUE!	290.56
Performance Guarantee Money	#VALUE!	22.64
Security Deposits	#VALUE!	206.58
Total	#VALUE!	519.78

Note No 2.5

Long-Term Provisions

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Provision for employee benefits		
Leave Encashment	#VALUE!	139.25
(b) Others	#VALUE!	7.54
Total	#VALUE!	146.79

Note No 2.6

Trade Payables

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Liability towards Network Partners	#VALUE!	4,224.87
Creditors for Material & Services	#VALUE!	1,093.94
Payable to University	#VALUE!	100.09
Total	#VALUE!	5,418.90

Note No 2.7

Other Current Liabilities

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
a) Unclaimed Dividend	#VALUE!	2.23
b) Unclaimed Share Application Money & Interest	#VALUE!	0.14
c) Taxes & Duties Payable		
Tax Deducted at Source	#VALUE!	64.97
Service Tax	#VALUE!	19.09
Tax on Works Contracts under MVAT	#VALUE!	0.09
d) Others		
Common Marketing Contribution	#VALUE!	213.90
Other Liabilities	#VALUE!	50.67
Total	#VALUE!	351.10

Note No 2.8

Short Term Provisions

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
(a) Provision for employee benefits		
Salary & Reimbursements	#VALUE!	-
Contribution to ESIC	#VALUE!	-
Contribution to Provident Fund	#VALUE!	13.37
Provision for Performance Linked Awards	#VALUE!	200.00
(b) Others		
Provision for Corporate Income Tax (A.Y. 09-10)	#VALUE!	0.67
Provision for Corporate Income Tax (A.Y. 10-11)	#VALUE!	1,069.37
Provision for Corporate Income Tax (A.Y. 11-12)	#VALUE!	1,025.00
Provision for Corporate Income Tax (A.Y. 12-13)	#VALUE!	1,365.00
Provision for Corporate Income Tax (A.Y. 13-14)	#VALUE!	-
Provision for Proposed Dividend	#VALUE!	202.00
Corporate Dividend Tax Payable	#VALUE!	32.77
Total	#VALUE!	3,908.19

Note No 2.9

Fixed Assets

(In Rupees Lacs)

Sr. No.	Particulars	Rate (%)	Gross Block				Accumulated Depreciation					Net Block		
			Balance as at 1 April 2012	Additions	Deletion / Transfers	Revaluations/ (Impairments)	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2013	Balance as at 31st March 2013	Balance as at 31 March 2012
a	Tangible Assets													
	Land	-	40.87	-	-	-	40.87	-	-	-	-	-	40.87	40.87
	Lease Hold Land	-	-	1,684.26	-	-	1,684.26	-	3.44	-	-	3.44	1,680.82	-
	Office Premises	5.00	1,464.88	627.78	-	-	2,092.66	245.50	65.73	-	-	311.23	1,781.43	1,219.38
	Plant and Machinery	100.00	1.04	-	-	-	1.04	1.04	-	-	-	1.04	-	-
	Furniture and Fixtures	18.10	258.46	46.83	-	-	305.30	136.14	26.57	-	-	162.71	142.59	122.33
	Office Equipment and Appliances	13.91	257.34	12.43	-	-	269.77	160.15	17.80	-	-	177.95	91.82	97.19
	Computer Hardware	40.00	385.44	38.68	-	-	424.12	354.69	24.85	-	-	379.53	44.59	30.75
	Electrical Fittings	13.91	113.18	2.19	-	-	115.37	47.33	9.37	-	-	56.71	58.66	65.85
	Air Conditioner	13.91	46.51	2.80	-	-	49.31	21.44	3.69	-	-	25.13	24.18	25.08
	Solar Panels Power Generation Plant	13.91	6.46	-	-	-	6.46	2.01	0.62	-	-	2.63	3.83	4.45
	Total - a		2,574.18	2,414.98	-	-	4,989.15	968.29	152.07	-	-	1,120.36	3,868.79	1,605.89
b	Intangible Assets													
	Computer software	40.00	333.42	38.79	-	-	372.21	194.58	65.96	-	-	260.54	111.68	138.85
	Total - b		333.42	38.79	-	-	372.21	194.58	65.96	-	-	260.54	111.68	138.85
c	Capital Work In Progress													
		-	2.23	-	2.23	-	-	-	-	-	-	-	-	2.23
	Total - c		2.23	-	2.23	-	-	-	-	-	-	-	-	2.23
	Total - a + b + c		2,909.83	2,453.77	2.23	-	5,361.37	1,162.87	218.03	-	-	1,380.90	3,980.47	1,746.97
	Previous Period		2,876.76	33.08	-	-	2,909.83	936.70	226.16	-	-	1,162.87	1,746.97	

Note No 2.10

Non-Current Investments

(In Rupees Lacs)

	Particulars	As at 31st March 2013	As at 31st March 2012
A	Trade Investments		
	(a) Investment in Equity instruments		
	MKCL International FZE	#VALUE!	18.81
	1 Share @ Rs.18,80,816/-		
	Rajasthan Knowledge Corporation Limited	#VALUE!	60.00
	6,00,000 Shares @ Rs.10/- each		
	Odisha Knowledge Corporation Limited	#VALUE!	60.00
	6,00,000 Shares @ Rs.10/- each		
	Total	#VALUE!	138.81

Note No 2.11

Long Term Loans and Advances

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Capital Advances	-	-
b. Security Deposits		
Unsecured, considered good	#VALUE!	36.25
c. Corporate Income Tax		
Corporate Income Tax Paid (A.Y. 10-11)	#VALUE!	1,070.72
Corporate Income Tax Paid (A.Y. 11-12)	#VALUE!	999.88
Corporate Income Tax Paid (A.Y. 12-13)	#VALUE!	1,170.75
Corporate Income Tax Paid (A.Y. 13-14)	#VALUE!	-
Refund Receivable-Corporate Tax (A.Y. 07-08)	#VALUE!	2.73
Refund Receivable-Corporate Tax (A.Y. 08-09)	#VALUE!	13.52
d. VAT Refund Receivable		
VAT Refund Receivable (F.Y. 09-10)	#VALUE!	8.79
VAT Refund Receivable (F.Y. 10-11)	#VALUE!	15.59
VAT Refund Receivable (F.Y. 11-12)	#VALUE!	6.43
VAT Refund Receivable (F.Y. 12-13)	#VALUE!	-
e. Others-Unsecured, considered good		
Advance to BSNL	#VALUE!	590.00
Total	#VALUE!	3,914.67

Note No 2.12

Inventories

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Stock-in-trade - At Cost (As certified by the Management)		
Inventory of Books	#VALUE!	202.54
Inventory of Educational Material	#VALUE!	3.10
Inventory of Sugarcane Planters	#VALUE!	9.70
Inventory of Contour Markers	#VALUE!	0.43
Total	#VALUE!	215.77

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	284,267	886,050	924,067	246,250
Educational Material	138	-	-	138
Contour Markers	17	-	9	8
Sugarcane Planters	10	-	-	10
Books for MOM Project (Maharashtra Olympiad Movement) (Sub Junior)	-	15,000	15,000	-
Books for MOM Project (Maharashtra Olympiad Movement) (Junior)	-	25,000	25,000	-
DVDs for MOM (Maharashtra Olympiad Movement) project	-	50,000	50,000	-

Note No 2.13

Trade Receivables

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	537.01	547.29
Others	#VALUE!	4,047.22
Total	#VALUE!	4,594.52

Note No 2.14

Cash and cash equivalents

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Balances with banks	#VALUE!	910.48
b. Cash in hand	#VALUE!	-
c. Floating Rate Income Fund	#VALUE!	840.07
d. Others-Fixed Deposit	#VALUE!	8,182.63
Total	#VALUE!	9,933.17

Other disclosures related to Cash and Cash Equivalents

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Earmarked balances with banks (Unpaid Dividends)	2.71	2.99
Balances with banks to the extent held against performance bank guarantees	1.62	21.02
Bank deposits with more than 12 months maturity	6,210.02	4,929.99

Note No 2.15

Short-term loans and advances

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Loans and advances to related parties		
Expenses debited to MKCL International FZE	#VALUE!	31.72
Expenses debited to Odisha Knowledge Corporation Limited	#VALUE!	6.59
b. Others (specify nature)		
Employees Advance	#VALUE!	1.78
Total	#VALUE!	40.10

Note No 2.16
Other current assets

(In Rupees Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Prepaid Expenses	#VALUE!	23.81
Accrued Interest on Fixed Deposits	#VALUE!	302.71
Others	#VALUE!	0.12
Total	#VALUE!	326.64

Note No 2.17

Revenue from operations

(In Rupees Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
I. Sale of products	647.03	156.18
II Sale of services		
Educational Business Development Program (Edu-BDP)		
Revenue from MS-CIT course	8,933.41	7,580.35
Revenue from Other courses	98.19	121.85
	9,031.60	7,702.20
National Strategic Business Partnership Development Program (NSB-PDP)	1,204.37	240.90
Network Partnership Management Program (NP-MP)		
Registration/Renewal/Processing/Annual/LMS License Fees	203.53	276.35
Digital University- Business Development Program (DU-BDP)	672.90	535.16
OASIS-Business Development Program (OASIS-BDP)		
Online Admissions	848.85	979.59
Recruitment Projects	1,748.09	1,132.08
	2,596.93	2,111.67
eGovernance-Business Development Program (eGov-BDP)		
Design & Development of Digital MLS	74.84	32.06
eTendering Services & Others	60.85	61.87
	135.69	93.93
Excellence & Talent Nurturance Program (Excel-TNP)	0.13	22.63
International Business Development Program (INT-BDP)	439.01	412.09
Total	14,931.19	11,551.10

Note No 2.18

Other Income

(In Rupees Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Interest Income (On deposits with banks)	#VALUE!	#VALUE!
Dividend from subsidiary company	#VALUE!	42.47
Dividend Income	#VALUE!	#VALUE!
Gain/(Loss) on foreign currency	#VALUE!	#VALUE!
Other non-operating income (net of expenses directly attributable to such income)	#VALUE!	#VALUE!
Total	#VALUE!	#VALUE!

Note No 2.19

Expenses on courses & programs

(In Rupees Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Educational Business Development Program (Edu-BDP)		
Expenses on MS-CIT course		
Share, Exam/Re-Exam Fees, Content Development	3,899.23	3,488.81
Advertisement & Sales Promotion	677.17	401.50
Course Material Related Expenses	414.03	328.38
Expenses on Other Courses	49.60	78.50
	5,040.03	4,297.19
National Strategic Business Partnership Development Program (NSB-PDP)	204.91	48.23
Network Partnership Management Program (NP-MP)	243.35	198.82
Digital University- Business Development Program (DU-BDP)	261.60	330.88
OASIS-Business Development Program (OASIS-BDP)		
Online Admissions	167.80	220.74
Recruitment Projects	687.34	385.05
	855.14	605.79
eGovernance-Business Development Program (eGov-BDP)	12.01	15.68
Excellence & Talent Nurturance Program (Excel-TNP)	55.78	63.45
International Business Development Program (INT-BDP)	21.14	19.48
Total	6,693.96	5,579.53

Note No 2.20

Employee Benefit Expenses

(In Rupees Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
(a) Salaries	#VALUE!	#VALUE!
(b) Contributions to -		
(i) Provident fund	#VALUE!	#VALUE!
(ii) Gratuity fund	#VALUE!	#VALUE!
(c) Staff welfare expense	#VALUE!	#VALUE!
Total	#VALUE!	#VALUE!

Note No 2.21
Other Expenses

(In Rupees Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Advertisement/Sales Promotion expenses	#VALUE!	#VALUE!
Auditors Remuneration incl. out of pocket expenses	#VALUE!	#VALUE!
Bank Charges	#VALUE!	#VALUE!
Communication Expenses	#VALUE!	#VALUE!
Donations	500.00	275.00
Electricity charges	54.59	45.04
Service Tax, Interest on Service Tax & on Income Tax	0.80	144.25
Legal, Professional & Consultancy Charges	92.22	73.44
Loss on Sale/Redemption of Mutual Fund	#VALUE!	#VALUE!
Maintenance of Offices & Building	#VALUE!	#VALUE!
Meeting Expenses	#VALUE!	#VALUE!
Old Balances Written Off	#VALUE!	#VALUE!
Printing and Stationary	#VALUE!	#VALUE!
Rent Rates Taxes and Insurance	209.80	132.41
Repairs and Maintenance	33.38	25.22
Recruitment Expenses	#VALUE!	#VALUE!
Traveling and Conveyance	#VALUE!	#VALUE!
Website hosting and registration expenses	#VALUE!	#VALUE!
Miscellaneous Expenses	26.50	34.11
Bad Debts	169.51	150.35
Total	#VALUE!	#VALUE!

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.

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 last financial year i.e. up to 2011-2012 wherein the total course fees per learner of MS-CIT course was booked as Revenue. As a result the figures stated in the Statement of Profit & Loss pertaining to Financial Year 2011-2012, corresponding to Revenue & Expenses, wherever applicable are reworked on net basis for proper comparisons.

Forfeiture fees: Income from forfeiture fees include Rs.28.65 lacs pertaining to the batches of previous year and expenses on account of forfeiture learners amounted to Rs.11.55 lacs pertaining to previous year batches, hence net effect of the previous year's forfeiture is Rs.17.10 lacs.

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

Network Partner Management Program (NP-MP)

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

Digital University - Business Development Program (DU-BDP)

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

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

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

Excellence & Talent Nurturance Program (Excel-TNP)

Income is recognized on accrual basis and as per admission confirmations received. The income under this program is from sale of Question Bank Book to Sub-Junior and Junior category and this income is grouped under Sale of products amounting to Rs.50.51 lacs.

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.

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.

(Rupees in Lakhs)

Sr. No.	Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
1	Investments		
	- Rajasthan Knowledge Corporation Limited	60.00	60.00
	- Odisha Knowledge Corporation Limited	60.00	60.00
	- MKCL International FZE	18.81	18.81
2	Expenses		
	- Incurred on behalf of MKCL International FZE	36.31	55.92
	- Incurred on behalf of Rajasthan Knowledge Corporation Ltd. (net)	2.20	-
	- Incurred on behalf of Odisha Knowledge Corporation Ltd.	8.47	6.59
3	Income		
	- Sale of books to Rajasthan Knowledge Corporation Limited	540.00	155.00
	- For other service charges to Rajasthan Knowledge Corporation Limited	1200.48	267.72
	- Dividend Received from Rajasthan Knowledge Corporation Limited	6.00	3.00
	- Sale of books to Odisha Knowledge Corporation Ltd.	40.00	-
	- For other service charges to Odisha Knowledge Corporation Ltd.	5.00	-
	- Royalty from MKCL International FZE	439.01	412.09
	- Dividend received from MKCL International FZE	-	42.47
4	Receivable		
	- Rajasthan Knowledge Corporation Ltd.	167.70	142.58
	- Odisha Knowledge Corporation Ltd.	53.94	6.59
	- MKCL International FZE	0.84	133.48

Names of related parties and description of relationship -

1. Rajasthan Knowledge Corporation Limited - Joint Venture
2. Odisha Knowledge Corporation Limited - Joint Venture
3. 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.

XI. CAPITALIZATION OF OFFICE PREMISES

The company has purchased a new office premises at Nerul, Navi Mumbai at total cost of Rs.2,262.80 lakhs. Out of this the cost of leasehold land is considered at Rs.1,684.26 lakhs. The leasehold land is acquired under a lease agreement from CIDCO (City Industrial Development Corporation Limited) for a lease period of 60 years.

The cost of this leasehold land will be amortized by the company over the remaining period of lease.

For P.V.Page & Co.
Chartered Accountants

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

P.V.Page
Partner

Rajesh Tope
Chairman

Vivek Sawant
Managing Director
& CEO

Manoj Narvekar
Chief Accounts
Officer

Place : Pune, INDIA.
Date : June 20, 2013

Komal Chaubal
Company Secretary & Head Legal Affairs

Place : Pune, INDIA.
Date : June 20, 2013

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	01/04/2012 to 31/03/2013
3	(a) No. of shares held in subsidiary company as at 31st March, 2013 (Value converted at initial foreign exchange rate of Rs. 14.795 per AED)	1 (One) share of Rs 22.19 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 01/04/2012 to 31/3/2013	Profit of Rs. 420.15 lacs (AED 28,39,933/-)
	(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 01/04/2012 to 31/3/2013	Nil
	(b) For the previous financial years since it became the holding Company's subsidiary.	Nil
5	Change in the interest of the holding company between the end of the financial year of the subsidiary and the end of the holding company's financial year	Not Applicable
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of the subsidiary's :	
	(i) Fixed assets	Not Applicable
	(ii) Investments	Not Applicable
	(iii) Moneys lent by the subsidiary	Not Applicable
	(iv) Moneys borrowed by the subsidiary	Not Applicable

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

Rajesh Tope
Chairman

Vivek Sawant
Managing Director & CEO

Manoj Narvekar
Chief Accounts Officer

Komal Chaubal
Company Secretary & Head-Legal Affairs

Place: Pune, INDIA.
Date: June 20, 2013

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

**Auditors' Report & Financial Statements
For the year ended 31st March, 2013**

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

For the year ended 31st March, 2013

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AXIS AUDITING & ACCOUNTING

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. MKCL International (FZE)**, Hamriyah Free Zone, Sharjah, United Arab Emirates ("the Establishment") which comprise of the financial position as at 31st March, 2013, 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 2, 1995 for the entities in Hamriyah Free Zone, Sharjah, we further confirm that.

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

For Axis Auditing & Accounting

Auditors & Business Consultants

Redha Darwish Al Rahma

Reg. No 368, Dubai, U.A.E

Date:01st June, 2013

Ref No: AAA/1734/13

MKCL International (FZE)
Hamriyah Free Zone, Sharjah, U.A.E.
Annual Financial Statements for the year ended 31st March, 2013
Statement of Financial Position

	Note	2013 AED	2012 AED
Assets			
Non-Current Assets			
Investments	4	510,757	510,757
Current Assets			
Due from related party	5	233,167	381,893
Cash and cash equivalents	6	4,009,043	2,069,162
Total Current Assets		4,242,210	2,451,055
Total Assets		4,752,967	2,961,812
Equity and Liabilities			
Equity			
Share capital	2	150,000	150,000
Retained earnings		4,593,211	1,753,278
Total Equity		4,743,211	1,903,278
Liabilities			
Current Liabilities			
Due to related party	7	4,756	1,055,534
Other payables	8	5,000	3,000
Total Liabilities		9,756	1,058,534
Total Equity and Liabilities		4,752,967	2,961,812

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

These financial statements have been approved and signed by the undersigned on 15th May, 2013.

For MKCL International (FZE)

Authorized Signatory

The report of the Auditors is set on page 1 and 2.

MKCL International (FZE)
Hamriyah Free Zone, Sharjah, U.A.E.
Annual Financial Statements for the year ended 31st March, 2013
Statement of Comprehensive Income

	Note	2013 AED	2012 AED
Administration expenses	9	(3,199,023)	(3,195,742)
Operating loss		(3,199,023)	(3,195,742)
Other income	10	6,053,661	2,761,293
Exchange fluctuation		(14,321)	-
Finance cost		(384)	(750)
Profit for the year		2,839,933	(435,199)
Other comprehensive income		-	-
Total comprehensive income for the year		2,839,933	(435,199)

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

These financial statements have been approved and signed by the undersigned on 15th May, 2013.

For MKCL International (FZE)

Authorized Signatory

The report of the Auditors is set on page 1 and 2.

MKCL International (FZE)
 Hamriyah Free Zone, Sharjah, U.A.E.
Annual Financial Statements for the year ended 31st March, 2013
Statement of Changes in Equity

	Share Capital	Retained Earnings	Total Equity
	AED	AED	AED
As on 01st April, 2011	150,000	2,488,477	2,638,477
Dividend paid	-	(300,000)	(300,000)
Total comprehensive loss for the year	-	(435,199)	(435,199)
Balance at 31st March, 2012	150,000	1,753,278	1,903,278
Total comprehensive income for the year	-	2,839,933	2,839,933
Balance at 31st March, 2013	150,000	4,593,211	4,743,211

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

These financial statements have been approved and signed by the undersigned on 15th May, 2013.

For MKCL International (FZE)

Authorized Signatory

The report of the Auditors is set on page 1 and 2.

MKCL International (FZE)
Hamriyah Free Zone, Sharjah, U.A.E.
Annual Financial Statements for the year ended 31st March, 2013
Statement of Cash Flows

	2013 AED	2012 AED
Cash flows from operating activities		
Profit for the year	2,839,933	(435,199)
Changes in working capital:		
Due to related party	148,726	10,170
Due from related party	(1,050,778)	963,363
Other payables	2,000	-
Cash generated from operations	1,939,881	538,334
Net cash (used in) / generated from operating activities	1,939,881	538,334
Cash flows from investing activities		
Dividend paid	-	(300,000)
Net cash used in investing activities	-	(300,000)
Net cash movement for the year	1,939,881	238,334
Cash and cash equivalents at the beginning of the year	2,069,162	1,830,828
Cash and cash equivalents at end of the year	4,009,043	2,069,162

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

These financial statements have been approved and signed by the undersigned on 15th May, 2013.

For MKCL International (FZE)

Authorized Signatory

The report of the Auditors is set on page 1 and 2.

MKCL International (FZE)

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

Annual Financial Statements for the year ended 31st March, 2013

Notes to the Financial Statements

1 Legal status and activities

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

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

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

2 Shareholding

The shareholding of the (FZE) is as follows:

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

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

3 Significant Accounting Policies

Statement of compliance

- 3.1** These financial statements have been prepared in accordance with the International Financial Reporting Standards. (IFRSs).
- 3.2** These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under (IFRSs).

3.3 Revenue recognition

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

MKCL International (FZE)
Hamriyah Free Zone, Sharjah, U.A.E.
Annual Financial Statements for the year ended 31st March, 2013
Notes to the Financial Statements

3.4 Foreign currency transactions

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

	2013	2012
	AED	AED
4 Investment		
Investment in MKCL Arabia ltd	510,757	510,757
	510,757	510,757
5 Due from related party		
MKCL Arabia ltd	233,167	381,893
	233,167	381,893
6 Cash and cash equivalent		
Cash at bank	4,009,043	2,069,162
	4,009,043	2,069,162
7 Due to related party		
	4,756	1,055,534
	4,756	1,055,534
8 Other payables		
Provision for expenses	2,000	-
Accrued expenses	3,000	3,000
	5,000	3,000
9 Administration expenses		
Rent	9,809	-
Travelling, transportation and conveyance	62,650	50,618
Legal, professional and visa charges	5,000	29,836
Loadging and accommodation expenses	15,895	11,276
Recruitment expenses	3,930	339
Royalty expenses	3,022,560	2,635,097
Other expenses	79,179	468,576
	3,199,023	3,195,742
10 Other Income		
Dividend on investment	6,014,442	-
Interest income	39,219	13,516
Share of profits from KSU Project	-	2,747,777
	6,053,661	2,761,293

MKCL International (FZE)
Hamriyah Free Zone, Sharjah, U.A.E.
Annual Financial Statements for the year ended 31st March, 2013
Notes to the Financial Statements

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, 2013.

12 Interest rate risk

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March, 2013 are not interest based.

13 Exchange rate risk

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

14 Contingencies and commitments

As at 31st March, 2013 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/-.

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

These financial statements have been approved and signed by the undersigned on 15th May, 2013.

For MKCL International (FZE)

Authorized Signatory

The report of the Auditors is set on page 1 and 2.
