

## DIRECTORS' REPORT

### To the Members of Maharashtra Knowledge Corporation Limited

Your Directors are pleased to present the 7<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2008.

#### 1.0 FINANCIAL HIGHLIGHTS:

The summary of the financial results for the year ended 31<sup>st</sup> March, 2008 vis-à-vis those of the previous year are summarized below:

	<i>(Rs. In Lacs)</i>	
	<b>2007-2008</b>	<b>2006-2007</b>
Gross Profit before interest, depreciation & tax	1970.67	1395.58
Less : Interest	0.00	3.30
Depreciation	132.38	140.74
<b>Profit/(Loss) Before Taxes</b>	<b>1838.29</b>	<b>1251.54</b>
Less : Provision for Current Tax	585.00	420.00
Provision for Deferred Tax	(3.12)	11.13
Provision for Fringe Benefit Tax	5.46	4.85
<b>Profit After Taxes</b>	<b>1250.95</b>	<b>815.56</b>
Less : Transfer to Foreign currency translation Reserve	3.57	0.00
Transfer to General Reserve	600.00	400.00
Interim Dividend on Equity Shares	253.76	145.01
Proposed Dividend on Equity Shares	40.40	36.25
Tax on Dividend	49.99	26.50
<b>Profit carried to Balance Sheet</b>	<b>303.23</b>	<b>207.79</b>

#### 2.0 RESULTS OF OPERATIONS:

##### 2.1 Business Performance

###### 2.1.1 Revenues

Total revenues for the year ended March 31, 2008 amounted to Rs.18,738.42 Lacs as against Rs.15,454.97 Lacs for the corresponding previous year, thereby registering a growth of 21.25% over previous year.

###### 2.1.2 Profits after Tax

The Profits after tax for the year ended 31<sup>st</sup> March, 2008 amounted to Rs.1,250.95 Lacs as against Rs.815.56 Lacs for the previous year, which is 53.39% higher than previous year.

###### 2.1.3 General Reserves

The Board of Directors proposes to transfer Rs.600.00 Lacs to the General Reserves, out of profits earned by the Company for the year ended 31<sup>st</sup> March, 2008 & Rs.601.59 Lacs from the accumulated profits of previous years.

#### ***2.1.4 Dividend***

During the year under report, an Interim Dividend @ 35% was declared on 27<sup>th</sup> September, 2007 and paid to those members whose name appeared in the Register of Members of the Company as at 27<sup>th</sup> September, 2007.

Your Directors are pleased to recommend final dividend @ 5%, which if approved in the ensuing 7<sup>th</sup> Annual General Meeting, will be paid to those members whose name will appear in the Register of Members as on the date of 7<sup>th</sup> Annual General Meeting.

### **3.0 EQUITY CAPITAL**

#### ***3.1 Issue of Shares by Preferential Allotment***

There is possibility of your Company launching Initial Public Offer (IPO) by way of issue of Equity Shares in Indian market. In that case, the shareholding percentage of the promoter i.e. Government of Maharashtra may reduce. In order to maintain the stake of the promoter, it was proposed in the 6<sup>th</sup> Annual General Meeting to issue to the Government of Maharashtra 830000 new equity shares at par i.e. Rs.10/- per share. The said proposal was approved by the members in the said meeting. Accordingly, the Company has made preferential allotment of 8,30,000 equity shares of Rs. 10/- each fully paid up to the Government of Maharashtra, Higher and Technical Education Department, during the year under Report.

### **4.0 INTERNAL CONTROLS**

#### ***4.1 Internal Audit System***

The Company has set up an internal audit system commensurate with the nature and size of business operations of the Company. Mr. Vishwajit Honap, Chartered Accountant has been appointed as Internal Auditor of the Company.

### **5.0 BOARD COMMITTEES**

#### ***5.1 Re-constitution of Board Committees***

During the year under Report, your Board of Directors has constituted IPO Committee and Audit Committee. The Share Transfer Committee has been re-named as 'Shareholders' Committee' and has also been re-constituted. Further, the Finance Committee has also been re-constituted.

### **6.0 SUBSIDIARY**

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

Statement of the Accounts of MKCL International FZE a wholly owned subsidiary of the Company established in the United Arab Emirates is annexed pursuant to the provisions of Section 212 of the Companies Act, 1956. MKCL International FZE could book a turnover exceeding Rs.2 crores in 2007-08.

## **7.0 REPORT OF PROGRAMS AND ACTIVITIES OF MKCL 2007-08:**

### **Introduction:**

**MKCL-** Maharashtra Knowledge Corporation Limited- is a public limited company established in Mumbai by the Government of Maharashtra, India, in August 2001 to create new paradigm in education and development through universalization and integration of Information Technology in teaching, learning and educational management processes in particular and socio-economic transformative processes in general.

### **Transformative Agenda:**

MKCL has set forth a transformative agenda in the Indian context wherein Information Technology has created unprecedented wealth for few enterprises in India, however, the masses have been largely deprived of the great developmental potential and the fruits of Information Technology. This Digital Divide is potential threat for development not only of India but also of many other countries in the world.

MKCL is an entrepreneurial endeavour to bridge this Digital Divide and resultant Knowledge Divide by offering actionable knowledge to the masses for socio-economic transformation in emerging knowledge society.

Present global context demands synthesis of a new paradigm of education to address the following challenges simultaneously viz.:

How to offer education-

- to very large populations with various diversities,
- at an affordable cost,
- with a high quality of relevance and applicability in life and work,
- within a shortest possible time,
- with a wide accessibility from metros to villages and,
- in a mass-personalized manner?

MKCL is attempting to address these six challenges simultaneously through the exploitation of IT and help lay the foundations of knowledge society so critical for the survival, development and empowerment of the masses in general and youth in particular.

### **Focus:**

MKCL commenced its business operations in April 2002 over the entire state of Maharashtra ( the most industrialized state in India admeasuring about 300,000 sq. km. and having the population exceeding 100 million) and in a short span of five years it has emerged as a high-tech and high-touch initiative focused on design, development and delivery of innovative **eInfrastructure, eLearning, eGovernance, and eEmpowerment technologies, solutions and services** to its ever growing base of millions of customers in Universities, Governments, and Communities.

### **Unique Equity Profile and Identity:**

The Government of Maharashtra (GoM), ten Universities in the state, educational institutions, community institutions, IT and non-IT industries, etc. are among the initial major equity holders. With GoM's equity within a range of 26% to 30%, the company has a unique blend of governmental credibility and social responsibility on one hand and entrepreneurial competitiveness, market orientation, flexibility, productivity, profitability and self-sustainability on the other.

The founders conceived a unique identity of MKCL as a fast-track IT enabler and a complimenting and supplementing partner of the universities, governments and communities for the fulfillment of the new and growing aspirations of students in particular and people in general in the emerging knowledge society and knowledge-led economy of the twenty-first century.

### **MKCL Board of Directors:**

Hon'ble Minister, Minister of State and Principal Secretary for Department of Higher and Technical Education, Government of Maharashtra (India) are respectively the Chairman, Vice-Chairman and Member of the Board of Directors of MKCL. Among the other members are the Vice-Chancellors of two Universities, Advisor, National Knowledge Commission and eminent personalities from fields of Education, R&D, IT industry, Finance, etc. The Managing Director and Director Finance are the two whole time directors on the board.

### **MKCL Financials:**

MKCL has created self-sustaining and wealth creating operations right from its inception. The turnover of the company has exceeded INR 983.9 Million ( Rs.98.38 Crores or US\$ 24.5 Million) in the financial year 2005-06, INR1545.5 Million (Rs.154.55 Crores or US \$ 38.7 Million) in 2006- 07 and INR 1873.8 Million (Rs.187.38 Crores or US\$ 47 Million) in 2007-08.

MKCL has an equity base of about INR 80.8 Million ( Rs.8.08 Crores or US\$ 2 Million) and it has paid decent and progressively increasing dividends to all its shareholders right from the second year of its inception and also issued bonus shares twice in last five years.

MKCL, in its incessant pursuit of accomplishment of its vision and mission under the leadership of its Board of Directors, implements various programs under the following five categories:

The projects and operations of MKCL are classified into following five Main Programs:

- 1 Enabling Programs***
- 2 Educational Programs***
- 3 eGovernance and eEmpowerment Programs***
- 4 Community Development Programs***
- 5 International Business Development***

#### ***1. Enabling Programs***

These programs create the enabling environments and linkages, infrastructure and facilities, technological and managerial support for the other programs to take-off and sustain. They are themselves not the direct lines of business but are the lines to enable the business in other programs and therefore they derive the support of funds generated in other programs.

- 1.1 Corporate Management Program
- 1.2 Infrastructure Development Program
- 1.3 Information Technology Infrastructure Development Program
- 1.4 Software Technology Development Program
- 1.5 eLearning and eContent Development Program
- 1.6 Channel Partner Network Management Program

## ***2. Educational Programs***

- 2.1 IT Literacy and Functionality Program
- 2.2 MKCL Finishing Schools Development Program
- 2.3 Virtual Academies Development Program
- 2.4 Edutainment and Infotainment Program

## ***3. e-Governance and eEmpowerment Programs***

- 3.1 Educational eGovernance Program
- 3.2 General eGovernance Program
- 3.3 eEmpowerment Program

## ***4. Community Development Programs***

- 4.1 Talent Nurturance Program
- 4.2 Life Long Learning (L3) Communities Development Program
- 4.3 Rurban Habitat Model Development Program
- 4.4 Watershed Development Program

## ***5. International Business Development Programs***

### **Performance Report for the year 2007-08:**

MKCL 's financial performance indicators are shown below:

<b>Sr. No.</b>	<b>Financial Performance Indicator</b>	<b>F.Y. 2006-07</b>	<b>F.Y. 2007-08</b>	<b>% Rise</b>
1.	Turnover Rupees in Crore	154.55	187.38	21.25
2.	Profit Before Tax (PBT) Rupees in Crore	12.53	18.38	46.69
3.	PBT as % of Turnover	08.09	09.81	21.26
4.	Profit After Tax (PAT) Rupees in Crore	08.15	12.51	53.50
5.	PAT as % of Turnover	05.26	06.68	27.19
6.	Earning Per Share in Rupees	12.15	16.27	33.91
7.	Dividend	25% (Final)	35% (Interim)+5% (Final-Proposed)	60.00

## ***1. Enabling Programs***

### **1.1 Corporate Management Program**

This program offers the backbone support to all the programs mentioned above. This program involves the following functions:

- **Ideation and Strategic Planning:** A few new ideas and strategic initiatives planned and successfully launched upto the last year as enlisted below were further consolidated during the year 2007-08:
- **Corporate Affairs:** The Board of Directors met four times in this financial year and framed the policies and gave the guidelines and directions of far reaching significance on the programs and activities of MKCL.
- **Joint Venture:** During this year Rajasthan Knowledge Corporation Limited (RKCL) is in the process of establishment in partnership with Government of Rajasthan.
- **Legal Affairs:** During the financial year various agreements were signed with the customers, authorized local agencies, software and content development organizations, education service providers, web-based service providers, built-up space developers, miscellaneous service providers, software licenses providers, etc.
- **Corporate Communications, Publicity and Brand Management:** Systematic efforts have been made to establish and enhance the brand image of MKCL during this year.

During the entire year wide publicity was given to various activities and programs of MKCL through a large number of advertisements, write-ups, news coverage, interviews in Marathi, Hindi, Gujarati, Telgu, Urdu and English dailies as well as on radio and TV programs which helped MKCL in reaching a wider cross-section of people in general and potential learner groups in particular.

Massive campaigns for publicity and promotion were launched at a large number of SSC and HSC examination centers across the state and were followed up by similar campaigns at the schools at the time of SSC result declaration.

MKCL also organized or participated in various seminars, conventions, conferences, exhibitions and events and made presentations about MKCL and carried out dialogues and interactions with a large number of participants.

MKCL's Digital University launch function on September 21, 2007 was attended by the Vice-Chancellors of all the Universities in the state and from some of the other states, other dignitaries from academia and representatives of Channel Partners of MKCL from all tehsils of the state. This function was presided over by Hon'ble Chief Minister of Maharashtra. It was graced by the august presence of Shri. Sharad Pawar, Hon'ble Union Minister for Agriculture. Hon'ble Deputy Chief Minister of Maharashtra, many Hon'ble ministers, MPs and MLAs of the state also participated in the function.

In addition, promotional meetings and public seminars were organized at many districts. These meetings not only revitalized the morale of center coordinators but also resulted in direct increase in learner strengths apart from spreading on a wider scale the general awareness about the philosophy and programs of MKCL.

During this year comprehensive presentations of activities of MKCL for business promotion were made to various authorities in the State and Central Government as well as in various national and international seminars.

Due to all these efforts MKCL is getting widely known in the field and its brand image has been further established and MKCL has undoubtedly emerged as the de facto choice for IT literacy and IT enabled services.

- **General Administration:** Apart from the regular activities such as security, conservancy, cosmetic, curative and preventive maintenance of buildings and assets, power and environmental conditioning, pest control, fire safety, insurance, mail handling, local transport, travel and tour facilitation, pantry and canteen facilitation, guest facilitation and hospitality management, reception and help desk, call management, public relations, liaison with local authorities, various event such as staff picnics, meetings, seminars, conferences, concerts were also effectively managed by this cell.

During this year, the general administration at all offices of MKCL was decentralized and was brought under the duly authorized Center Managers.

- **Human Resources Development:** In order to ensure high degree of sustainability and profitability, MKCL has strategically decided to remain a modest sized organization in terms of dedicated infrastructure and human resources. MKCL, through advertisements and search by invitation, consolidated its strong human resource base in four categories viz. Technical Development Staff, Content Development Staff, Business Development Staff, Facilitation Staff and Miscellaneous Staff. A few trainees and project associates and assistants and consultants support this core team making the total team size of about 220.

Certain tasks beyond the core competencies of the core team are outsourced through appropriate contractual arrangements with software development organizations, content development organizations, testing services providers, usability services providers, technical writing services providers and other service provider organizations as and when necessary.

The technical and business development staff members were regularly deputed for advanced training programs in India and abroad for further strengthening their skills in software and service quality. A number of them also benefited from the scheme for reimbursement of fee for international certifications to continuously upgrade their skills matching with international benchmarks.

A major initiative in the form of one-year training on Wholesome Leadership Development Program was launched for all members of the MKCL Management Team and MKCL Program Coordination Team.

- **Finance, Accounts and Audit:** The audited balance sheet for the financial year 2007-08 is enclosed herewith.

Apart from the regular activities in the accounts cell, this year separate bank accounts have been operated for individual programs of MKCL so as to gradually

convert them into independent lines of business and profit centers with distinct identity.

The Internal Auditors have also been appointed during this year.

- **Materials Management:** The Materials Management Committee has coordinated the procurement of goods and services worth Rs.16.30 crores during 2007-08. This committee also oversaw the management of the stores and inventory.
- **Library and Information Management:** Apart from the regular library and information management function, this cell has also supports the eHouse Magazine and daily quiz. This cell is also supporting the HRD cell in propagating eLearning among the MKCL staff.
- **Intellectual Property Rights Management:** During this year this cell has applied for additional trade-marks and service-marks for various products and services.

## **1.2 Infrastructure Development Program**

During this year, MKCL Vashi Project Office was created w.e.f. August 2007, for locating various functions such as RLC Mumbai, MKCL Finishing Schools, Channel Partner Network Management Program for Maharashtra State including the account support for the same and the HRD Cell. A separate store house for materials, records and other inventory was created at Tathawade, Pune during this year.

The follow-up for getting a piece of land allotted to MKCL from Department of Higher and Technical Education at Balewadi was made regularly.

## **1.3 Information Technology Infrastructure Development Program**

The resources such as server infrastructure, computing facilities, connectivity and bandwidths, distributed classrooms, video-conferencing facility, software tools and licenses, and knowledge repositories at MKCL created, maintained and managed under this program compare well with the international standards and are worth emulating for any knowledge-based enterprise.

During this year, in addition to the regular responsibilities, this program successfully delivered the Asset Monitoring software for the Channel Partner Network, GIS on the MKCL website to provide spatial and non-spatial data of the Channel Partner Network to help learners locate the nearest ATC.

During this year, design and development of 5 high-end courses to be launched under MKCL Finishing School of Networking Technology were also designed by this program.

## **1.4 Software Technology Development Program**

During this year the integration of SOLAR framework was accomplished with the eLearning frameworks of MKCL because of which it will be possible to launch a new business model of on demand admission, on demand learning and on demand examinations leading to greater learner satisfaction and optimal utilization of channel partner network assets and resources.



During this year, SOLAR framework was also successfully integrated with Channel Partner Asset Monitoring Software so as to monitor the connected assets and accordingly influence the quality of service of IT infrastructure to the learners at all the centers.

### **1.5 eLearning and eContent Development Program**

During this year, significant enhancements have been made on a massive scale in the state-of-the-art frameworks for Learning and Content Management, Content Development and Integration, Assignment Management, Online Evaluation Management for learners and teachers in the network.

During this year, these frameworks were successfully integrated with SOLAR framework on one hand and Digital University and EASY (Employment Assistance services to Youth) on the other hand.

Based on the integration with SOLAR, the model of individual learner accessing the eContent at ATC for more than 1.5 lac MS-CIT learners and learning in a mass-personalized learning environment was deployed on a large scale and the system of tracking the performance of individual learner through a series of Interim Performance Tests was introduced to improve the quality of training.

This large-scale testing and deployment has created a sound foundation for low cost, high quality, high speed, widely accessible and mass personalized model of education for a large number of remote learners having little access to high quality teachers.

The smooth conduct of Online Certification Test (OnCeT) for exceeding 12000 MS-CIT trainers located at 3600+ ATCs through hundreds of remote evaluators has been a remarkable technological accomplishment of this program

Similarly the engaging learning experience of lacs of MS-CIT and MS-ACIT learners with the interactive multimedia tutor content developed by this program is also an exceptional technological and academic accomplishment of this program.

During this year, these frameworks also got completely customized for the MKCL Finishing Schools and have positively influenced the learning experience at these schools.

This program offers the content development support and enablement to all other programs. This year a world-class tutor content of Windows Vista and MS-Office 2007 was developed and tested based on which teacher training was carried out in self-learning mode across the state-wide network for over 12000 teachers who got certified to teach w.e.f. July 2008.

Under this program, open educational resources for school children are being developed through various partnerships. The websites, promotional content for all programs of MKCL as well as content for various community development programs has been developed.

### **1.6 Channel Partner Network Management Program**

This program was launched during last year as a separate enabling program and its function got consolidated during this year. Earlier the channel partner network was largely dedicated to the IT Literacy and Functionality Program only.

With the growth of various other programs, the need for channel partner network support was increasingly felt among them. CPNMP thus started supporting many activities such as IT Literacy and Functionality, ERA, MKCL Finishing Schools, VAVE, BSNL-Multi-Play, OASIS, Digital University, Digital College, EASY, Hobby Homes, PPK, NET, etc.

This program catered to following functions:

- Channel Partner Network Creation and Management
- Channel Partner Communications and Relationship Management
- Channel Partner Network Coordination
  
- Channel Partner Network Facilitation for delivery of MKCL's courses and MKCL's IT enabled services
- Management of RLC Mumbai Region
- Extension of MKCL Programs in other states of India

The effort under this program could raise the number of Authorized Training Centers to 3677 this year as compared to 3409 in the last year for deeper penetration in revenue inspection circles of the rural areas.

The percentage of sustaining Authorized Training Centers has gone up to 87.81 this year as compared to 82.99 in the last year.

In order to establish the leadership at the tehsil level, the formal appointment of some of the existing channel partners as the Tehsil Lead Centers and Ward/Area Lead Centers in all districts of the state was completed and the system of share payment from MKCL directly to the TLC/WLC/ALC was started from this year.

## ***2. Educational Programs***

### **2.1 IT Literacy and Functionality Program**

During the year 2007-08, this program has taken a next quantum leap and jumped from an enrollment of about 6.77 lacs in 2006-07 to 7.91 lacs. The growth during this year has been 16.77% as against 15.4% of the last year.

MS-CIT has thus received a very wide and increasing acclaim all over the state and has crossed the mark of 3.0 million registered learners cumulatively in the last six years. MS-CIT has emerged as the de-facto brand for IT literacy training in the state.

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completed and the system of share payment from MKCL directly to the TLC/WLC/ALC was started from this year.

- A balanced combination of high-tech and high-touch academic delivery model could be successfully established this year upto grass-root level by overcoming all odds of local conditions and twentieth century teacher-centric mindset issues to ensure further satisfaction of learners and spread of high quality learning opportunities at the grass-roots. This has been this year's greatest path-breaking innovation of likely long term significance.
- The percentage growth in enrollment of vacation batch was 37% as against 5% in the last year.
- The average enrollment per active ATC in vacation batch has gone up to 123 this year as against 78 of the last year.
- During this year, the enrollment of female learners has gone up to 38.82% as compared to 37.69% of the last year.
- During this year MKCL awarded 'Tejaswini Scholarships' to 300 girls from economically challenged sections of the society to pay for MS-CIT fees.
- Similarly the enrollment of Marathi medium learners has gone up to 55.03% as compared to 52.24% of the last year.
- During this year introduction of Hindi medium has been a new initiative and has started evoking an encouraging response.
- The Braille version of the book of MS-CIT has also been a significant initiative of this year and its free gift to the blind learners has evoked a great response.
- The number of physically handicapped learners has also significantly gone up due to improvements in quality of delivery and better accessibility in online examination centers as well as wider publicity for the course.
- The response from senior citizens has also significantly increased this year.

All these improvements indicate MKCL's remarkable contribution in fulfillment of its cherished mission objective of bridging the digital divide in Maharashtra and establishing IT mediated learner centric paradigm of education on a large scale, at affordable cost with high quality and wider accessibility to the unreached in a short time frame.

The MS-ACIT series included courses viz. IT for Teachers, eContent Development, eInstructional Design, Multimedia and Animations, Web Design, eLearning Technologies, Desktop Publishing, eFinancial Accounting. The response to all these courses significantly improved this year.

These courses also exploited the various tools such as SOLAR, LMS, AMS, CDIT, OES, etc. as used in the MS-CIT program. The response to these courses is gradually building up and many ATCs are coming forward to conduct these courses.

## **2.2 MKCL Finishing Schools Development Program**

This is a new network of MKCL established during the year 2005-06 in 6 cities in India including Ahmedabad, Madurai, Mumbai (Thane), Nagpur, New Delhi, Pune and Thiruvananthapuram for the delivery of MKCL's high-end post-graduate courses on MKCL's state-of-the-art video-conferencing facility. This year an additional school has been started on experimental basis in rural area at Khamgaon.

The various courses offered include:

Post-Graduate Courses for Computer, IT Engineers and others

- Diploma in Software Technology (with Java specialization)
- Diploma in Software Technology (with .NET specialization)

Post-Graduate Courses for Electronics, E & TC and Instrumentation Engineers

Diploma VLSI Design

- Diploma in Embedded Systems Design
- Diploma Digital Signal Processing

Post-Graduate Courses for Mechanical, Automobile, Marine & Production Engineers

- Diploma in CAD

The integration of MFS content and academic delivery with the Learning Management System and Online Evaluation System has been the key differentiator of this year so as to enable a large scale-up of MFS network in 2008-09.

### **2.3 Virtual Academies Development Program**

During this year, the Virtual Academy for Vocational Excellence (VAVE) started its functioning in BPO and has received encouraging response from channel partners and learners from all over the state.

### **2.4 Edutainment and Infotainment Program**

During this year, the BSNL Multi-Play service was actually started by MKCL led consortium in the 500+ homes in the Pune City. A state-of-the art Network Operating Center (NOC) was created in MKCL's premises in Pune along with a farm of several antennas to receive satellite channels. Regular TV channels, Video on Demand, Personal Video Recording, Time shift TV, etc value added services were started along with basic telephony and Broad-Band Internet in these homes. The interactive TV based distributed classroom prototype was completed and functionally tested this year for its proliferation in the field next year.

## ***3. e-Governance and eEmpowerment Programs***

### **3.1 Educational eGovernance Program**

This program involves the development and integration of several Higher Education Enterprise Frameworks such as Digital College<sup>TM</sup> and Digital University<sup>TM</sup>, Digital Directorate and Portals for Online Application Solutions and Integrated Services (OASIS).

### **3.1.1 Online Application Solutions and Integrated Services (OASIS):**

During this year, under the OASIS Framework, the eServices were given to over 5 lac applicants for various admissions such as B.ED, MBA, First Year Engineering and Medical, External Degree Programs of the University of Pune, etc.

OASIS acquired an additional dimension during the year 2006-07 and developed the potential of offering eServices in large-scale recruitment for state government services by making the IT enabled and high quality application service and associated mass-personalized processes widely accessible to masses in all areas of the state.

During this year the eRecruitment services were given to several government departments, directorates, commissionerates, collectorates as well as the Zilla Parishads in a time-bound manner. The services were utilized by more than 3 lac applicants and over 10,000 positions were filled in a transparent manner. This in itself is a record of low cost, high quality, high speed, widely accessible government recruitment process ever conducted in the state under the private-public-partnership model.

### **3.1.2 Digital University:**

Government of Maharashtra through their GR dated June 19, 2006 had decided to offer eSuvidha (eFacilitation Services) to the students of all Universities in Maharashtra through MKCL's Digital University Software Framework. Accordingly the MoUs have been signed with many Universities in the state and software implementation at the colleges and Universities as well as the necessary staff training at the colleges and Universities has been carried out by MKCL.

The eSuvidha Scheme has been highly appreciated by these participating Universities and a collaborative environment between MKCL and the Universities with proactive participation of these Universities has emerged through the state-level monthly coordination meetings since January 2007. As a result of consistent efforts and support given to the Universities and colleges, eSuvidha scheme could be implemented this year at 7 universities, 769 colleges and for 2.5 lac students of the first year degree program.

During this year, MKCL's Educational eGovernance Program crossed the state boundaries and started offering Digital University eServices to Universities in Delhi and Kerala in addition to Gujarat and Rajasthan and could evoke a considerable interest among many universities in other states.

### **3.2 General eGovernance Program**

This program offers eTendering solutions. During this year, this solution has been very successfully used by MSEDCL, MSEGCL for their procurements exceeding Rs. 6500 crores so far and it is being implemented in MSEGCL (MahaGenco), MSETCL (MahaTransco) and NTPS during this year.

The marketing lead for the eRecruitment services to various government departments provided under the OASIS has been given by this program.

### **3.3 eEmpowerment Program**

During this year, this special program has been launched for the empowerment of deprived or challenged communities by exploiting the power of information technology.

A high priority has been given to the Employment Assistance Services to Youth (EASY) by launching a comprehensive portal for youth in rural or semi-urban areas who normally neither enjoy easy access to information about job /career opportunities nor enjoy access to the enabling services for actually acquiring a job.

It is in this context EASY portal has been conceived and designed. It has the following distinctive service features: Job Search on job opportunities published in news papers and elsewhere, Registration on the portal, Maintain and Edit online Bio-data/ Resume/ Profile, Job Alert, Counseling & Guidance, Access to Career Related Articles, Interview Guidance and eOrientation, Workshops /Seminars, Government Schemes, Help Line, Educational Loan Schemes, Competitive Examination Facilitation, Scholarships and Fellowships Facilitation, Facilitation for International Certification, Education abroad, Advanced Studies, etc.

This portal has been made ready to launch in the year 2008-09.

#### ***4. Community Development Programs***

##### **4.1 Talent Nurturance Program**

The programs for talent nurturance are being planned for school children, youth and parents. Under this program several initiatives as described below have been launched:

- Open Educational Resources for children from 5<sup>th</sup> to 9<sup>th</sup> standards in partnership with SNDT Women's University and Homi Bhabha Center for Science Education
- Virtual Schools involving establishment of science exploratories at tehsil places of Pune District for developing children in rural areas
- NTS Examination and science and math Olympiads at national and international levels

##### **4.2 Life Long Learning (L3) Communities Development Program**

L3 being critical to the survival, development and empowerment of communities in knowledge society, MKCL in partnership with Commonwealth of Learning is developing tools and contents for development of L3 Teachers communities by synthesizing the eBED Program in partnership with YCMOU. This program is now ready for launch in the coming academic year.

##### **4.3 Rurban Habitat Model Development Program**

MKCL in partnership with Isquare SATCOM, Solapur is adventing under this program an innovative model for partnership of rural organizations and urban knowledge-based enterprises such as IT industries to come together and coexist in sustainable and eco-friendly rurban settings on the outskirts of villages for improving on one hand the employability of the rural youth in an emerging knowledge society and simultaneously

on the other hand avoiding the overcrowding of the cities by the new knowledge-based enterprises and improve their profitability through rurbanization.

This model development effort will attempt to harmoniously combine India's ancient agrarian face with its modern IT face and thereby simultaneously avoid the Digital Divide on one hand and overcrowding of cities, environmental disaster due to rampant urbanization and falling standards of quality of life.

During this year the content of two titles has been completed.

#### **4.4 Watershed Development Program**

MKCL has been regularly conducting the CCT training programs for students and teachers under NSS programs of various universities and is also plying the consultative role in the CCT projects from design to quality assurance of the CCT sites.

#### ***5. International Business Development Programs***

During this year, this program created a synergy among all programs of MKCL and supported the MKCL International FZE for marketing and/or delivery of eInfrastructure, eLearning, IT Literacy Training and Digital University services to King Saud University, Riyadh, Kingdom of Saudi Arabia. MKCL International FZE could book a turnover exceeding Rs.2 crores in 2007-08.

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

#### ***8.1 Conservation of Energy***

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

#### ***8.2 Technology Absorption***

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

#### ***8.3 Foreign Exchange Earnings And Outgo***

During the period under review, the foreign exchange earnings was Rs.3.16 Lacs and the foreign exchange outgo was Rs.7.40 Lacs

### **9.0 FIXED DEPOSITS:**

The Company did not accept any fixed deposits during the year under review. No deposits were outstanding as on 31<sup>st</sup> March, 2008.

### **10.0 PARTICULARS OF EMPLOYEES:**

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31<sup>st</sup> March 2008 are as follows :

Name	Age	Designation	Gross Remuneration Rs.	Qualification	Experience Years	Date of Commencement of Employment	Particulars of last Employment Employer	Post last held
Mr.Vivek Sawant	49	Managing Director	26,23,257	M.Sc., M.Phil	29	6 <sup>th</sup> Sept. 2001	International Institute of Information Technology	Director

Notes :

(a) Gross remuneration as above includes salary, House Rent Allowance (HRA), Performance Linked Award (PLA), other allowances, Company's contribution to provident fund, contribution to Gratuity fund, leave travel assistance (LTA), leave encashment, medical and other facilities.

(b) The nature of employment is contractual

### **11.0 DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to 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 at the end of the financial year and of the profit of the Company for that period;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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.



### **12.3. Re-appointment**

During the year under Report, your Board has re-appointed Shri.Vivek Sawant as Managing Director for a period of 5 years commencing from 5<sup>th</sup> October, 2007.

### **12.4 Directors retiring by rotation**

Hon'ble Shri.Suresh Shetty, Prof.Ashok S. Kolaskar and Shri.Avinash Patil, Directors of the Company retire at the ensuing 7<sup>th</sup> Annual General Meeting and being eligible offer themselves for re-appointment.

### **13.0 AUDITORS:**

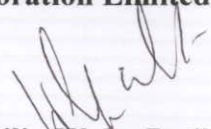
The Auditors M/s P.V.Page & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. They have confirmed their willingness to accept office, if re-appointed.

### **14.0 ACKNOWLEDGEMENTS:**

Your Directors sincerely acknowledge the continued support and co-operation received from the State Government, Suppliers, Customers, Bankers, Consultants, Channel 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**



  
**Dilip Walse Patil**  
**Chairman**

Place: Mumbai  
Date: May 14, 2008



**P. V. PAGE & CO.**

CHARTERED ACCOUNTANTS

201, SARDAR GRIHA, 198, L. T. MARG, MUMBAI - 400 002. TELEFAX: 2205 4560 / 2209 2527 E-MAIL: page@vsnl.com

## **AUDITOR'S REPORT**

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

- 1) We have audited the attached Balance Sheet of Maharashtra Knowledge Corporation Limited as at 31<sup>st</sup> March 2008, and also the Profit & loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Paragraph (3) above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of the books.




- c) The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956.

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

1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2008;
2. In the case of the Profit and Loss Account, of the profit for the year ended on that date.

Place: Mumbai  
Date: 14<sup>th</sup> May 2008

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



**Prakash V. Page**  
PARTNER  
M. no.30560

**ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR  
REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR  
ENDED ON  
31 ST MARCH 2008**

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. However no reconciliation has been made between the book records and actual physical assets during the year. In the absence of reconciliation we are unable to comment about the discrepancies if any and their treatment in the books of accounts.
- c) There are disposal of Fixed Assets during the year 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, Education Material and contour markers during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the inventory record maintenance system needs to be strengthened. The discrepancies noticed on verification between the physical stocks and the book records were not material.



- III. In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business , for the purchase of inventory and fixed assets and for sale of goods. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.
- V. (a) There are no transactions that need to be entered in to a register in pursuance of Section 301 of the Companies Act, 1956. Hence, clause V (b) is not applicable to the company.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, during the year to which the directives issued by the Reserve Bank Of India and the provisions of sections 58A and 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under, are applicable.
- VII. The Company initiated Internal audit system by engaging an independent firm of Chartered Accountants during the last quarter of the year under audit. Based on the review of the present system we strongly feel that company should take steps to strengthen the Internal Audit System considering Company's present size and growth plans.
- 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, VAT and other material statutory dues applicable to it.
- X. The company has been registered for a period of more than five years. Further, the company does not have any accumulated losses at the end of the financial year and has



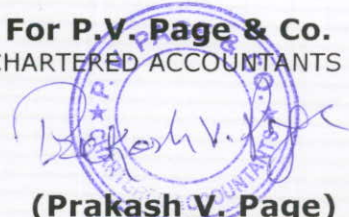
not incurred cash losses in the financial year immediately preceding such financial year.

- XI. In our opinion and according to the information and explanation given to us, the Company has neither taken any loans from a financial institution, nor a bank nor has it issued any debentures. Accordingly, the clause (XI) of the order is not applicable.
- XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the clause (XII) of the order is not applicable.
- XIII. The Company is not a chit fund or a nidhi or mutual benefit fund or society. Accordingly, the provisions of clause (XIII) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause (XIV) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not applied for any type of term loans. Accordingly the provisions of clause (XVI) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XVII. In our opinion and according to the information and explanations given to us, the Company has not been raised any funds on short-term basis.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any debentures.
- XX. The Company has not raised any money by public issue during the year.



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

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



**(Prakash V. Page)**  
PARTNER

Place: Mumbai  
Date: 14<sup>th</sup> May 2008

**BALANCE SHEET AS AT 31st MARCH, 2008**

(As per schedule VI to the Companies Act, 1956)

(Amount in Rs. Lacs)

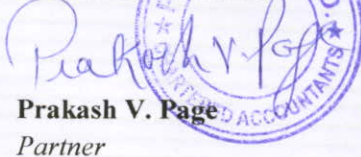
Particulars	Schedule	As at 31-Mar-08	As at 31-Mar-07
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
a) Share Capital	1	808.02	725.02
b) Reserves and Surplus	2	2,536.86	1,631.14
<b>Deferred Tax Liability</b>		46.31	43.76
<b>TOTAL</b>		<b>3,391.19</b>	<b>2,399.92</b>
<b>APPLICATION OF FUNDS</b>			
a) <b>Fixed Assets</b>			
<b>Gross block</b>	3	1,310.79	1,238.25
Less: Depreciation		513.90	382.90
<b>Net Block</b>		796.89	855.35
Capital work in progress	3	3.83	0.00
<b>Total Fixed Assets</b>		800.72	855.35
<b>Investments</b>	4	2,879.80	1,512.33
b) <b>Current Assets, Loans and Advances</b>	5	3,023.24	2,421.81
Less: <b>Current Liabilities &amp; Provisions</b>	6	3,336.29	2,392.97
<b>Net Current Assets</b>		(313.05)	28.84
c) <b>Deferred Tax Asset</b> (Refer Note 5 of Notes to Accounts)		9.07	3.40
d) <b>IPO Expenses</b>	7	14.65	0.00
<b>TOTAL</b>		<b>3,391.19</b>	<b>2,399.92</b>

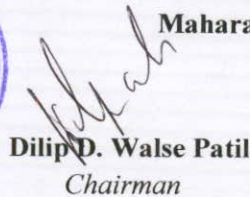
SIGNIFICANT ACCOUNTING POLICIES AND NOTES THEREON 14

The schedule referred to above and the notes thereon form an integral part of the balance sheet

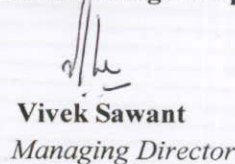
This is the balance sheet referred to in our report of even date.

for P.V. Page & Co.  
Chartered Accountants

  
**Prakash V. Page**  
Partner

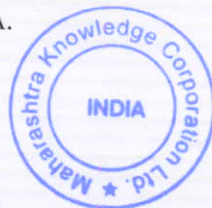
  
**Dilip D. Walse Patil**  
Chairman

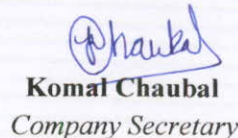
For and on behalf of the Board  
Maharashtra Knowledge Corporation Ltd.

  
**Vivek Sawant**  
Managing Director

  
**O.G. Satpute**  
Director Finance

Place : Mumbai, INDIA.  
Date : May 14, 2008



  
**Komal Chaubal**  
Company Secretary

Place : Mumbai, INDIA.  
Date : May 14, 2008



**SCHEDULE - 1  
SHARE CAPITAL**

(Amount in Rs. Lacs)

<b>PARTICULARS</b>	<b>As At 31-Mar-08</b>	<b>As At 31-Mar-07</b>
<b>Authorised Share Capital</b> 1,00,00,000( Previous Year 1,00,00,000) Equity Shares of Rs. 10 each	1,000.00	1,000.00
<b>Issued, Subscribed and Paid Up Share Capital</b> 80,80,195 ( Previous Year 72,50,195 ) Equity Shares of Rs. 10 each, fully paid up (Of the above shares 28,85,875 shares are allotted as fully paid-up by way of bonus shares by way of capitalization of Profits and General Reserve.)	808.02	725.02
<b>TOTAL</b>	<b>808.02</b>	<b>725.02</b>

**SCHEDULE - 2  
RESERVES AND SURPLUS**

(Amount in Rs. Lacs)

<b>PARTICULARS</b>	<b>As At 31-Mar-08</b>	<b>As At 31-Mar-07</b>
<b>General Reserve Account</b>		
Balance carried from Previous Year	898.41	498.41
Add : Transfer during the year from current profits	600.00	400.00
Add : Transfer during the year from Profit & Loss Account	601.59	0.00
	2,100.00	898.41
<b>Profit and Loss Account</b>		
Balance carried from Previous Year	732.73	524.94
Add: Profit or Loss for the Current Year	303.23	207.79
Less: Transferred to General Reserve	601.59	0.00
	434.37	732.73
<b>Foreign Currency Translation Reserve</b>	2.49	0.00
<b>TOTAL</b>	<b>2,536.86</b>	<b>1,631.14</b>

Schedule- 3

Fixed Assets

(Amount in Rs. Lacs)

S No	Particulars	Rate(%)	Gross Block				Depreciation			Net Block	
			As on 01.04.2007	Additions	Deletion	As on 31.3.2008	As on 01.04.2007	For the Year	On Deletion	As on 31.3.2008	As on 31.03.2007
1	Office Premises	5.00	441.89	-	-	441.89	30.54	20.57	51.11	390.78	411.35
2	Air Conditioner	13.91	23.49	0.27	-	23.76	8.01	2.16	10.17	13.59	15.48
3	Electrical Fittings	13.91	51.26	-	-	51.26	11.36	5.55	16.91	34.35	39.90
4	Office Equipments and Appliances	13.91	228.58	5.35	-	233.93	64.51	23.24	87.75	146.18	164.07
5	Computers	40.00	361.36	61.45	1.76	421.05	225.48	64.13	288.23	132.82	135.88
6	Furniture & Fixtures	18.10	130.63	7.23	-	137.86	41.96	16.73	58.69	79.17	88.67
7	Capital Work In Progress	-	-	3.83	-	3.83	-	-	-	-	-
8	Plant & Machinery	100.00	1.04	-	-	1.04	1.04	-	1.04	-	-
	<b>Total</b>		<b>1,238.25</b>	<b>78.13</b>	<b>1.76</b>	<b>1,314.62</b>	<b>382.90</b>	<b>132.38</b>	<b>513.90</b>	<b>800.72</b>	<b>855.35</b>
	As at 31.03.07		1,101.98	136.27	-	1,238.25	242.16	140.74	382.90	855.35	

## Maharashtra Knowledge Corporation Limited

### SCHEDULE - 4

#### INVESTMENTS

(Amount in Rs. Lacs)

PARTICULARS	As At 31-Mar-08	As At 31-Mar-07
Investments in Mutual Fund Units (At Cost) (Market value Rs 2,580.31 as on 31 <sup>st</sup> Mar 2008)	2,860.99	1,493.52
Investment in MKCL International FZE	18.81	18.81
	2,879.80	1,512.33
<b>TOTAL</b>	<b>2,879.80</b>	<b>1,512.33</b>

### SCHEDULE - 5

#### CURRENT ASSETS, LOANS AND ADVANCES

(Amount in Rs. Lacs)

PARTICULARS	As At 31-Mar-08	As At 31-Mar-07
<b>A. CURRENT ASSETS</b>		
<b>a) INVENTORIES ( As certified by the Management )</b>		
Inventory of Books	1.55	6.98
Inventory of Educational Material	6.44	0.00
Inventory of Conture Marker	0.31	0.00
<b>TOTAL</b>	<b>8.30</b>	<b>6.98</b>
<b>b) DEBTORS (Unsecured, considered good)</b>		
Debts outstanding for a period exceeding six months	69.73	9.71
Other Debts	222.98	91.84
<b>TOTAL</b>	<b>292.71</b>	<b>101.55</b>
<b>c) CASH AND BANK BALANCES</b>		
Cash on Hand ( As certified by the Management )	0.96	0.00
DDs on Hand	60.19	0.00
<u>Balances with Scheduled Banks</u>		
In Current Accounts	501.14	260.92
In Fixed Deposits	503.35	1,120.67
<b>TOTAL</b>	<b>1,065.64</b>	<b>1,381.59</b>
<b>B. LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Advances and deposits	60.59	45.11
Advance to MKCL International FZE	98.62	25.20
Prepaid Expenses	79.07	60.79
Interest Receivable	12.91	0.50
Advance Fringe Benefit Tax (AY 08-09)	5.00	0.00
Self Assessment Tax - FBT	5.50	5.50
Advance Fringe Benefit Tax (AY 07-08)	4.85	4.00
Tax Deducted at Source (A. Y. 06-07)	22.36	22.36
Tax Deducted at Source (A. Y. 07-08)	19.26	18.23
Tax Deducted at Source ( A.Y. 08-09)	8.43	0.00
Advance Tax (A.Y. 06-07)	330.00	330.00
Advance Tax (A.Y. 07-08)	420.00	420.00
Advance Tax (A.Y. 08-09)	590.00	0.00
<b>TOTAL</b>	<b>1,656.59</b>	<b>931.69</b>
<b>GRAND TOTAL</b>	<b>3,023.24</b>	<b>2,421.81</b>

**SCHEDULE - 6**  
**CURRENT LIABILITIES AND PROVISIONS**

(Amount in Rs. Lacs)

<b>PARTICULARS</b>	<b>As At 31-Mar-08</b>	<b>As At 31-Mar-07</b>
<b>CURRENT LIABILITIES</b>		
Liabilities towards Channel Partner	899.00	668.30
Liabilities towards B'Ed CET Admission Project	45.28	253.17
Deposits from Training Providers and Contractors	138.46	148.46
Share of Pune university Payable	20.70	9.83
Collection on Account of Sahakar Project	0.00	35.76
Liabilities towards Social Welfare Project	1.19	0.00
Liabilities towards WRD/ZP/Collectorate Project	5.43	0.00
Creditors for materials & services	326.82	83.70
Other liabilities	84.07	43.02
<b>TOTAL</b>	<b>1,520.95</b>	<b>1,242.24</b>
<b>PROVISIONS</b>		
Provision for expenses	397.28	162.63
Provision For Taxation A.Y. 07-08	420.00	420.00
Provision For Fringe Benefit Tax A.Y. 08-09	5.45	0.00
Provision For Taxation A.Y. 06-07	350.00	350.00
Provision For Fringe Benefit Tax A.Y. 06-07	5.50	5.50
Provision For Fringe Benefit Tax A.Y. 07-08	4.85	4.85
Interim Dividend	0.00	145.00
Proposed Final Dividend	40.40	36.25
Provision For Taxation A.Y. 08-09	585.00	0.00
Corporate Dividend Tax Payable	6.86	26.50
<b>TOTAL</b>	<b>1,815.34</b>	<b>1,150.73</b>
<b>GRAND TOTAL</b>	<b>3,336.29</b>	<b>2,392.97</b>

**SCHEDULE - 7**  
**MISCELLANEOUS EXPENDITURE**

(Amount in Rs. Lacs)

<b>PARTICULARS</b>	<b>As At 31-Mar-08</b>	<b>As At 31-Mar-07</b>
# Preliminary Expenses	0.00	3.19
Preliminary expenses written off during the Year	0.00	3.19
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Add IPO Expenses	14.65	0.00
<b>GRAND TOTAL</b>	<b>14.65</b>	<b>0.00</b>

# Pre Incorporation Expenses incurred by Higher and Technical Education Department

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2008**

(As per schedule VI to the Companies Act, 1956)

(Amount in Rs. Lacs)

Particulars	Schedule	For Period ended 31-Mar-08	For Year ended 31-Mar-07
<b>I. INCOME</b>			
a) Income from Programs	8	18,345.75	15,320.71
b) Increase/ (Decrease) in Inventory	9	1.32	(13.38)
c) Other Income	10	391.35	147.64
<b>TOTAL Rs. (A)</b>		<b>18,738.42</b>	<b>15,454.97</b>
<b>II. EXPENDITURE</b>			
a) Expenses on Courses	11	15,482.77	13,024.36
b) Employees remuneration and other benefits	12	611.35	399.30
c) Administration Expenses	13	673.63	632.54
d) Interest on Application money		0.00	3.30
e) Depreciation	3	132.38	140.74
f) Preliminary expenses written off during the Year		0.00	3.19
<b>TOTAL Rs. (B)</b>		<b>16,900.13</b>	<b>14,203.43</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS (A)-(B)</b>		<b>1,838.29</b>	<b>1,251.54</b>
Provision for liabilities no longer required written back		0.00	0.00
Prior period items		0.00	0.00
<b>PROFIT BEFORE TAX</b>		<b>1,838.29</b>	<b>1,251.54</b>
Less: Provision for Taxation		585.00	420.00
Provision for Fringe Benefit Tax		5.46	4.85
Deferred tax expense (Net)		(3.12)	11.13
<i>(Refer Note 5 of Notes to Accounts)</i>			
<b>PROFIT AFTER TAX</b>		<b>1,250.95</b>	<b>815.56</b>
Transfer to Foreign Currency Translation Reserve		3.57	0.00
Transfer to General Reserve		600.00	400.00
Interim dividend		253.76	145.01
Proposed dividend		40.40	36.25
Corporate Dividend Tax		49.99	26.50
<b>BALANCE CARRIED TO THE BALANCE SHEET</b>		<b>303.23</b>	<b>207.79</b>

**Earning Per Share (Basic & Diluted)**

16.27

12.15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES THEREON 14

The schedule referred to above and the notes thereon form an integral part of the balance sheet

This is the profit & loss account referred to in our report of even date.

for P.V. Page & Co.

Chartered Accountants

Prakash V. Page

Partner

Place : Mumbai, INDIA.

Date : May 14, 2008

For and on behalf of the Board

Maharashtra Knowledge Corporation Ltd.

Dhiraj D. Walse Patil

Chairman

Vivek Sawant

Managing Director

O.G. Satpute

Director Finance

Komal Chaubal

Company Secretary

Place : Mumbai, INDIA.

Date : May 14, 2008

# Maharashtra Knowledge Corporation Limited

## SCHEDULE - 8

### INCOME FROM COURSES & PROGRAMS

(Amount in Rs. Lacs)

PARTICULARS	For Year ended 31-Mar-08	For Year ended 31-Mar-07
<b>Educational Programs</b>		
<b>IT Literacy &amp; Functionality Programs</b>		
MS-CIT Course Fee	14,141.92	11,452.71
Forfeited Fees	155.52	56.31
MS-CIT Exam Fee	1,759.17	1,449.99
MS-CIT Re-Exam Fees	458.36	449.31
Oncet Fees	41.54	59.09
	16,556.51	13,467.41
MS-ACIT Course Fee	29.59	45.56
<b>eLearning &amp; eContent Development Program</b>		
LMS License Fees (Tutor CD Fees)	59.59	35.38
<b>Channel Partner Network Management Program</b>		
Annual fee/Registration Fees from ATC	104.61	179.41
	75.73	99.41
<b>MKCL Finishing Schools</b>		
<b>Edutainment &amp; Infotainment Programs</b>		
Triple Play Services	7.96	0.00
<b>eGovernance Programs</b>		
<b>Educational e-Governance Programs (IT Services)</b>		
PU Online Admissions Project	578.76	550.63
BAOU Online Admission	87.82	0.00
Digital University	147.68	0.00
Engineering/Medical/Pharmacy CET Project	77.23	410.96
MBA Admission Project	39.52	29.80
B'Ed CET Admission Project	14.30	379.22
Water Resources Dept. (Mahayantriki)	13.66	0.00
Sahakar Project	73.23	0.00
Collectorate Project	51.55	0.00
Social Welfare Project	60.08	0.00
Zillah Parishad Project	306.43	0.00
PWD Recruitment Program	9.60	0.00
YCMOU/Collectorate Recruitment Project	12.61	0.00
	1,472.47	1,370.61
<b>General eGovernance Programs</b>		
MSEB eTendering Project	1.74	52.45
	1.74	52.45
<b>Community Development Programs</b>		
<b>Life Long Learning Communities</b>		
Common Wealth Learning	3.16	4.01
Primary Health Centre Project	0.00	50.36
	3.16	54.37
<b>Talent Nurturing</b>		
Sale of Educational Material	4.52	0.00
Course fees for MH-CET Test Series	0.72	3.49
NETs	20.72	0.00
Ashram Shala Project	5.23	12.62
	31.19	16.11
<b>Watershed Development Projects</b>		
CCT - Pathargaon Project	3.10	0.00
Sale of Contour Markers	0.10	0.00
<b>GRAND TOTAL</b>	<b>18,345.75</b>	<b>15,320.71</b>

**SCHEDULE - 9**

**INCREASE/(DECREASE) IN INVENTORY**

*(Amount in Rs. Lacs)*

<b>PARTICULARS</b>	<b>For Year ended 31-Mar-08</b>	<b>For Year ended 31-Mar-07</b>
<b>Closing Inventory at 31.03.2008</b>		
Inventory of Books	1.55	6.98
Inventory of CDs	0.00	0.00
Inventory of Educational Material	6.44	0.00
Inventory of Contour Marker	0.31	0.00
	<b>8.30</b>	<b>6.98</b>
<b>Opening Inventory at 01.04.2007</b>		
Inventory of Books	6.98	19.01
Inventory of CDs	0.00	1.35
Inventory of Educational Material	0.00	0.00
Inventory of Contour Marker	0.00	0.00
	<b>6.98</b>	<b>20.36</b>
<b>TOTAL</b>	<b>1.32</b>	<b>(13.38)</b>

**SCHEDULE - 10**

**OTHER INCOME**

*(Amount in Rs. Lacs)*

<b>PARTICULARS</b>	<b>For Year ended 31-Mar-08</b>	<b>For Year ended 31-Mar-07</b>
Interest from Banks	41.11	67.98
Dividend Received on Mutual Fund Units	169.00	135.39
Miscellaneous Income	4.79	0.26
Profit on Mutual Fund (Net)	176.45	(55.99)
<b>TOTAL</b>	<b>391.35</b>	<b>147.64</b>

# Maharashtra Knowledge Corporation Limited

## SCHEDULE - 11

### EXPENSES ON COURSES & PROGRAMS

(Amount in Rs. Lacs)

PARTICULARS	For Year ended 31-Mar-08	For Year ended 31-Mar-07
<b>Educational Programs</b>		
<b>IT Literacy &amp; Functionality Programs</b>		
MS-CIT Course Cost		
Training Providers share in Course Fees	10,257.37	8,140.40
MSBTE's share in Exam Fees	1,319.55	1,087.48
MSBTE's share in Re-Exam Fees	331.84	342.87
<b>MS-CIT Other Direct Cost</b>		
Course material expenses	1,045.74	1,052.98
LLC share	473.04	419.66
RLC share	161.81	152.99
Centre/Oncet Facilitation Expenses	21.72	37.94
Expenses on Net Meeting & Training set-up	43.52	61.61
Software expenses for ATC	221.13	0.00
Advertisement & Sales Promotion	254.33	227.78
<b>MS-ACIT Course cost</b>		
MS-ACIT Course Share & other cost	18.22	53.03
	<b>14,148.27</b>	<b>11,576.74</b>
<b>eLearning &amp; eContent Development Program</b>		
Expenses on SDO	73.62	48.46
	0.00	0.00
<b>MKCL Finishing Schools Development Program</b>		
Franchisees' Share	27.67	43.40
Honorarium to Faculties & ESP	6.45	13.84
Advertisement	19.32	91.01
DST Course Expenses	13.96	0.00
	<b>67.40</b>	<b>148.25</b>
<b>eGovernance Programs</b>		
<b>Educational eGovernance Programs</b>		
PU/BAOU	505.73	457.54
B.Ed. Admissions Projects	27.62	595.89
Expenses on MHT-CET Project	42.09	0.00
Digital University Expenses	40.05	103.03
Sahakar Project Expenses	29.75	0.00
Expenses on Social Welfare Program	24.23	0.00
Expenses on Mahayantriki (WRD)	6.36	0.00
Expenses on Collectorate Program	29.67	0.00
Expenses on ZP Program	236.39	0.00
SDO Charges	114.48	0.00
Advertisement	12.68	8.54
	<b>1,069.05</b>	<b>1,165.00</b>
<b>General eGovernance Programs</b>		
MSEB e-Tendering Project	0.00	0.41
PHC data entry charges	0.00	35.50
Advertisement	0.00	0.43
	<b>0.00</b>	<b>36.34</b>
<b>Community Development Programs</b>		
<b>Life Long Learning Communities</b>		
Community Learning Information Centre (CLIC)	0.00	5.00
<b>Talent Nurturing</b>		
Learning Home	0.00	4.74
Hobby Home	34.10	0.00
Purchase of Educational Material	8.96	0.00
Virtual School	12.43	18.91
NETs	11.79	0.00
Ashram Shala Project	4.25	15.18
Advertisement	52.45	0.00
	<b>123.98</b>	<b>38.83</b>
<b>Watershed Development Projects</b>		
CCT - Pathargaon Project	0.03	2.72
Purchase of Contour Marker	0.42	0.00
<b>Rurban Habitat Development Projects</b>		
RURBAN Project	0.00	3.02
<b>GRAND TOTAL</b>	<b>15,482.77</b>	<b>13,024.36</b>



**SCHEDULE - 12**

**EMPLOYEES' REMUNERATION AND OTHER BENEFITS**

(Amount in Rs. Lacs)

<b>PARTICULARS</b>	<b>For Year ended 31-Mar-08</b>	<b>For Year ended 31-Mar-07</b>
Salary	584.49	371.70
Contribution to Provident Fund	13.91	11.35
Staff Welfare Expenses	8.12	13.15
Staff Recruitment & Training Expenses	4.83	3.10
<b>TOTAL</b>	<b>611.35</b>	<b>399.30</b>

**SCHEDULE - 13**

**ADMINISTRATION EXPENSES**

(Amount in Rs. Lacs)

<b>PARTICULARS</b>	<b>For Year ended 31-Mar-08</b>	<b>For Year ended 31-Mar-07</b>
Advertisement expenses/Sales Promotion	137.37	5.00
Auditors Remuneration and out of pocket expenses	12.67	10.41
Books /Periodicals & Subscription	1.66	4.09
Communication Expenses	46.00	81.53
Expenses on MKCL International	1.32	0.00
Donations/Grants	110.25	103.57
Electricity charges	30.40	24.39
EPP Charges	6.00	0.00
Hire Charges	0.00	1.33
Legal, Professional & Consultancy Charges	57.76	57.63
Bank Charges	17.89	17.07
Income Tax Assessment Due	0.00	16.34
Loss on Account of Foreign Exchange Fluctuation	0.00	0.99
Empowerment Charges for Bandra Project	24.00	12.00
Meeting Expenses	14.62	4.75
Miscellaneous Expenses/Small Amt woof	11.55	16.38
Printing and Stationary	27.71	29.90
Rent Rates Taxes and Insurance	44.25	44.23
Repairs and maintenance - Building	53.14	80.26
Repairs and maintenance - Computer	0.42	9.61
Repairs and maintenance - Electrical	4.44	6.23
Repairs and maintenance - Office Equipments	14.65	17.84
Repairs and maintenance - Furniture & Fixture	1.58	0.00
Assets Discarded	0.28	0.00
Traveling and Conveyance	35.13	56.05
Website hosting and registration expenses	20.54	32.94
<b>TOTAL</b>	<b>673.63</b>	<b>632.54</b>

## Schedule 14

### NOTES ON ACCOUNTS

#### 1. DESCRIPTION OF BUSINESS

The Company is into promoting Education, Training and allied activities and delivering state-of-the-art IT solutions & ITES (IT Enabled Services) to the community at large. Under Education & Training segment, the company has been delivering a basic level IT course with the intention to promote IT literacy on mass scale and advanced level of IT courses in specialized industrial faculties. Under IT solutions & ITES segments, the company is providing e-governance solutions to Universities, Colleges, Directorate of Higher Education, Directorate of Technical Education, Collectorates, Zilla Parishads (ZPs) and various Departments of Government of Maharashtra. The Company is also providing e-tendering solutions to Maharashtra State Electricity Board (MSEB) and Maharashtra State Power Generation Co. Ltd. (MahaGenco).

#### 2. 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. *Project Income*

###### **IT Literacy Courses**

*Course Fees* from the MS-CIT course primarily consist of revenue earned from delivery of course performed on "time" basis. The related revenue is accrued based upon number of learners registered on web-based application of the Company during the current accounting period.

## Maharashtra Knowledge Corporation Limited

*Exam Fees* from the MS-CIT course are recognized on time basis

*Re-exam Fees* from the MS-CIT course are recognized on time basis

*Course materials* supplied for the course is education material and is accounted on the basis of delivery to training centers.

*Registration Fees* are recognized on receipt basis.

*Annual Fees/Renewal Fees* are recognized on receipt basis.

*Income from MS-ACIT Fees* are recognized on receipt basis.

*Income from OnCet Fees* are recognized on receipt basis.

*Income from MKCL finishing School Fees* consist of revenue earned from delivery of course performed on "time" basis. The related revenue is accrued upon proportionate completion of course for number of learners registered during the current accounting period.

### **Admission Project**

*Revenue from Admission Project* is recognized as per the percentage of completion method i.e. determined by reference to the stage of completion of the contract activity or delivery of service as the case may be, at the end of each accounting period.

*Revenue from Digital University programe* is recognized on the basis of the stage of completion of the contract activity or delivery of service as the case may be, at the end of each accounting period.

### **b. Other Income**

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

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

## **IV. EXPENDITURE**

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

The cost of software purchased and provided to channel partners for imparting IT Education under different courses is charged to revenues in the year of acquisition.

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.

## VI. DEPRECIATION

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

Individual assets acquired for less than Rs. 5,000 are directly expensed out to profit and loss account 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 expenses.

## VIII. EMPLOYEE BENEFITS

The company contributes to a Provident fund, which is a defined contribution plan, and is charged to profit and loss account.

Leave encashment liability is provided on the basis of leave outstanding to the credits of employees at the balance sheet date.

The Company 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 employee's salary and tenure of employment. Liability towards Gratuity expense is, thus, provided on the basis of a premium of annual contribution payable to LIC of India.

## 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.

(AMOUNT IN RUPEES LACS)		
Sr.No.	Particulars	Subsidiary Company
1	- Investments	18.81
2	- Loan	98.62

Names of related parties and description of relationship –

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 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

## 3. 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	7,723	7,86,852	7,92,686	1,889
CDs	0	7,13,853	7,13,853	0
Educational Material	0	447	133	314
Contour Markers	0	20	5	15

#### 4. OBLIGATIONS OF LONG-TERM NON-CANCELABLE OPERATING LEASES

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

Particulars	(AMOUNT IN RUPEES LACS)	
	Year Ended March 31, 2008	Year Ended March 31, 2007
<b>Lease Rental recognized during the year</b>		
Mumbai Office	7.53	6.30
Pune Office	16.33	11.77
Delhi Office	11.40	-
<b>Total of Lease on Office premises</b>	<b>35.26</b>	<b>18.07</b>
<b>Lease Obligations</b>		
	Year Ended March 31, 2008	Year Ended March 31, 2007
Not later than one year	35.26	18.07
Later than one year and not later than five years	31.87	37.64
Later than five years	20.47	Nil

#### 5. DEFERRED TAX EFFECTS

Particulars	(AMOUNT IN RUPEES LACS)	
	Year Ended March 31, 2008	Year Ended March 31, 2007
<b>Deferred Tax Asset</b>		
On Other items	(9.07)	(3.40)
<b>Deferred Tax Liability</b>		
On Depreciation	46.31	43.76
<b>Net Tax Liability</b>	<b>37.24</b>	<b>40.36</b>

#### 6. EARNING PER SHARE

Particulars	(AMOUNT IN RUPEES LACS)	
	Year Ended March 31, 2008	Year Ended March 31, 2007
Net Profit attributable to equity shareholders	1,250.95	815.56
Weighted average number of equity shares outstanding	7,691	6,715
<b>Earning Per Share Basic &amp; Diluted (Rs.)</b>	<b>16.27</b>	<b>12.15</b>

**7. DIRECTORS' REMUNERATION**

		(AMOUNT IN RUPEES LACS)	
<b>Particulars</b>		<b>Year Ended March 31, 2008</b>	<b>Year Ended March 31, 2007</b>
1	Salary	16.25	10.52
2	Performance linked awards	6.51	7.99
2	Other Allowances	10.42	8.96
3	Contributions to PF	1.17	1.03
4	Perquisites	3.54	2.51
5	Gratuity	0.23	0.19
<b>Total</b>		<b>38.14</b>	<b>31.20</b>

**8. EARNINGS IN FOREIGN EXCHANGE:**

		(AMOUNT IN RUPEES LACS)	
<b>Particulars</b>		<b>Year Ended March 31, 2008</b>	<b>Year Ended March 31, 2007</b>
	Contribution From COL	3.16	4.01
<b>Total</b>		<b>3.16</b>	<b>4.01</b>

**9. EXPENSE IN FOREIGN CURRENCY:**

		(AMOUNT IN RUPEES LACS)	
<b>Particulars</b>		<b>Year Ended March 31, 2008</b>	<b>Year Ended March 31, 2007</b>
	Foreign Travel Expenses	5.25	9.79
	Lodging & Boarding Expenses	1.82	4.03
	Conferences fees & training expenses	-	4.16
<b>Total</b>		<b>7.40</b>	<b>17.98</b>

**10. CONTINGENT LIABILITIES**

		(AMOUNT IN RUPEES LACS)	
<b>Particulars</b>		<b>Year Ended March 31, 2008</b>	<b>Year Ended March 31, 2007</b>
	Outstanding Bank Guarantees for		
	- Payment guarantee for services purchased	19.40	20.00
	- Performance guarantee for services given	69.00	51.20
<b>Total Contingent Liabilities</b>		<b>88.40</b>	<b>71.20</b>

**11. AUDITOR'S REMUNERATION**

<b>Particulars</b>	<b>(AMOUNT IN RUPEES LACS)</b>	
	<b>2007-2008</b>	<b>2006-2007</b>
a) As Auditors		
Post-transaction audit	11.24	8.98
Out of pocket expenses	0.31	.30
<b>Total</b>	<b>11.55</b>	<b>9.28</b>
b) As advisor, or in any other capacity, in respect of –		
Tax Audit fees	1.12	1.12
Corporate Advisory Services	1.35	1.35
Management services and	Nil	Nil
In any other manner	2.59	2.02
<b>Total</b>	<b>16.61</b>	<b>13.77</b>

**12. SEGMENT REPORTING**

**Reportable Segment**

IT Literacy and Functionality Program' is identified as reportable Primary segment on the basis of Business Segment as defined in Accounting Standard 17 - Segment Reporting issued by Institute of Chartered Accountants of India, since revenue from this activity constitutes more than 75% of the total revenue of the Company.

<b>PARTICULARS</b>	<b>(AMOUNT IN RUPEES LACS)</b>		
	<b>PRIMARY SEGMENT IT Literacy &amp; Functionality Program</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>Income</b>			
Income from Courses & Prog.	16,586.10	1,759.65	18,345.75
<b>Expenses</b>			
Direct Expenses on courses	14,148.78	1,334.67	15,481.45
Other allocable expenses	388.82	905.62	1,294.44
Net unallocable exps./ (Income)			(268.43)
Total Expenses (Net of other income)			16,507.46
<b>Profit Before Tax</b>			1,838.29

**13. RECLASSIFICATION**

Figures for the corresponding year wherever necessary have been regrouped, recast and rearranged to conform to those of the current year

The schedule referred to above and the notes therein form an integral part of the balance sheet



**14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. 

1	3	3	1	0	1
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 State Code 

1	1
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Balance Sheet Date 

3	1
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0	3
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0	8
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Date Month Year

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	Rights Issue																
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-	-	N	I	L	-	-	-										
-	-	N	I	L	-	-	-										
Bonus Issue	Private Placement																
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-	-	N	L	L	-	-	-										
-	-	-	-	8	3	0	0										

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	Total Assets																
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-	-	3	3	9	1	1	9										
-	-	3	3	9	1	1	9										

**Sources of Funds**

Paid-up Capital	Reserves & Surplus																
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-	-	-	8	0	8	0	2										
-	-	2	5	3	6	8	6										
Secured Loans	Unsecured Loans																
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-	-	N	I	L	-	-	-										
-	-	-	N	I	L	-	-										

**Application of Funds**

Net Fixed Assets	Investments																
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>8</td><td>0</td><td>0</td><td>7</td><td>2</td></tr></table>	-	-	-	8	0	0	7	2	<table border="1"><tr><td>-</td><td>-</td><td>2</td><td>8</td><td>7</td><td>9</td><td>8</td><td>0</td></tr></table>	-	-	2	8	7	9	8	0
-	-	-	8	0	0	7	2										
-	-	2	8	7	9	8	0										
Net Current Assets	Misc. Expenditure																
<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td></td><td></td><td></td><td></td></tr></table>	-	-	-	-					<table border="1"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-
-	-	-	-														
-	-	-	-	-	-	-	-										
Accumulated Losses																	
<table border="1"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-									
-	-	N	I	L	-	-	-										

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover	Total Expenditure																
<table border="1"><tr><td>-</td><td>1</td><td>8</td><td>7</td><td>3</td><td>8</td><td>4</td><td>2</td></tr></table>	-	1	8	7	3	8	4	2	<table border="1"><tr><td>-</td><td>1</td><td>6</td><td>9</td><td>0</td><td>0</td><td>1</td><td>3</td></tr></table>	-	1	6	9	0	0	1	3
-	1	8	7	3	8	4	2										
-	1	6	9	0	0	1	3										
Profit Before Tax	Profit after Tax																
<table border="1"><tr><td>-</td><td>-</td><td>1</td><td>8</td><td>3</td><td>8</td><td>2</td><td>9</td></tr></table>	-	-	1	8	3	8	2	9	<table border="1"><tr><td>-</td><td>-</td><td>1</td><td>2</td><td>5</td><td>0</td><td>9</td><td>5</td></tr></table>	-	-	1	2	5	0	9	5
-	-	1	8	3	8	2	9										
-	-	1	2	5	0	9	5										
Earning per Share in Rs.	Dividend Rate %																
<table border="1"><tr><td>1</td><td>6</td><td>.</td><td>2</td><td>7</td></tr></table>	1	6	.	2	7	<table border="1"><tr><td>4</td><td>0</td></tr></table>	4	0									
1	6	.	2	7													
4	0																

**14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (CONTD...)**

**V. Generic Names of three Principal Products/ Services of company (as per monetary terms)**

Item Code No. (ITC Code) 

N	.	A	.	-	-	-	-
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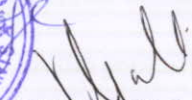
Product Description 

I	T		E	D	U	C	A	T	I	O	N
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
For **P.V.Page & Co.**  
Chartered Accountants


  
**P.V. Page**  
Partner



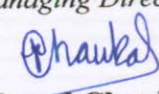
  
**Dilip D. Walse Patil**  
Chairman

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

  
**Vivek Sawant**  
Managing Director

  
**O.G. Satpute**  
Director Finance

Place : Mumbai, INDIA  
Date : May 14, 2008

  
**Komal Chaubal**  
Company Secretary

