

Annual Report 2010-11

MT Educare Limited

MT EDUCARE LTD.

DIRECTORS' REPORT

To
 The Members,
 MT Educare Ltd
 (Formerly known as MT Educare Private Limited)
 Mumbai

Your Directors are pleased to present the fifth report and audited statement of accounts of the Company for the financial year ended on March 31, 2011.

FINANCIAL RESULTS

The following is the summary of financial performance of the Company during the year under review

Particulars	2010-11 (₹)	2009-10(?)
Direct Income	1,024,316,223	827,551,116
Operating Income	23,547,183	4,903,510
Total Income	1,047,863,406	832,454,626
Profit before Interest, Depreciation and Amortisation	189,230,971	124,970,707
Less: Financial Expenses	1,180,748	2,073,544
Less: Depreciation & Amortization	83,023,159	78,727,928
Add: Non-Operating income	25,621,684	25,460,502
Profit before tax	130,648,748	69,629,737
<i>Provision for tax:</i>		
Current Tax	57,600,000	38,730,000
Deferred Tax	(9,530,878)	(16,633,052)
Profit after tax	82,579,626	47,532,789
Balance brought forward from previous year	0	0
Available for Appropriations	82,579,626	47,532,789
<i>Appropriation:</i>		
Proposed dividend	14,069,152	0
Dividend Distribution Tax	2,282,368	0
Transfer to General Reserve	66,228,106	47,532,789
	82,579,626	47,532,789

DIVIDEND

Your directors are pleased to recommend dividend of ₹ 0.40 (4%) per Equity Share on a share capital of ₹351,728,720 divided into 35,172,872 Equity shares of ₹10/- each for the financial year ended 31st March, 2011

The total dividend payout including Dividend Distribution Tax of ₹ 2,282,368 (previous year - Nil) would absorb ₹16,351,520 (previous year - Nil).

OPERATIONS

The fees collected, after considering discount and concessions stood at ₹ 1,024,316,223 as against ₹827,551,116 for the previous year registering an increase of around 24%. The operating income stood at ₹ 23,547,183 (Previous year ₹ 4,903,510). Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA) increased by around 51 % and stood at 189,230,971 as compared to previous year's figure of ₹124,970,707. Profit after tax increased by 73 % from ₹ 47,532,789 in the previous year to ₹82,579,626 in the current year.

Of the total Direct Income for 2010-11, 45 % was contributed by State Board, 20% by Commerce division, 24% by Science division and the balance 11 % was contributed by other ventures.

ISSUE OF BONUS SHARES

At the Extra Ordinary General Meeting of the members of the Company held on 5th April, 2010 Ordinary resolution for issuance of Bonus shares to the shareholders in the proportion of 32 (Thirty) Equity Shares for every 1 (One) Equity share was approved. In the meeting of the Board of Directors of the Company held on 7th April, 2010, 3,33,10,080 Equity shares of ₹10 each were allotted as Bonus shares to the respective shareholders by utilization of General Reserve.

ACQUISITION AGREEMENT

Your Company has entered into an acquisition agreement (the "Acquisition Agreement") with Parag Chitale, Reshma Chitale and Sanjaya Singh Misra on January 22, 2011 for the acquisition of Chitale's Personalised Learning Private Limited ("CPLPL") which is engaged in the business of conducting coaching classes for students appearing for MBA entrance exams. As per the terms of Acquisition Agreement, your Company has acquired 51% of the fully paid up share capital of CPLPL by subscribing to 41,633 equity shares at price of ₹ 288.23 per share aggregating to ₹ 12,000,000. Pursuant to conditions precedent laid down in the Acquisition Agreement, the MBA test preparation business operated by Chitale's Personalised Learning Centre, a proprietorship firm of Parag Chitale, has been transferred from to CPLPL with effect from June 30, 2010. With effect from February 1, 2011, CPLPL has become subsidiary of your Company.

PUBLIC DEPOSITS

During the year under review, your company has not accepted any deposits from the public or the shareholders.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (i) in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed;
- (ii) they have selected appropriate 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 financial year 2010-11 and of profit of the company for that period;
- (iii) they 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; and
- (iv) they have prepared the annual accounts for the year ended on March 31, 2011 on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company Dr. Chhaya Shastri, Mr. Cyrus Driver, Ms. Drushti Desai, Mr. Yatin Samant and Mr. Uday Lajmi appointed as Additional Directors shall hold office as Directors till the ensuing Annual General Meeting. The Company has received notice of candidature for Directorship from the said Directors. Further, Mr. Naarayanan Iyer, Director of the Company shall be liable to retire by rotation and being eligible offer himself for re-appointment.

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

The particulars relating to energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows:

- i. Part A & B of the Rules pertaining to Conservation of Energy and Technology Absorption are not applicable to your Company
- ii. Foreign Exchange Earnings and Outgo:

Earnings: ₹13,107,671 (Previous year ₹ 2,98,000/-)

Outgo: ₹2,524,877 (Previous year ₹ 3,51,835/-)

PERSONNEL

The particulars of employees of the company, in terms of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are given in '**Annexure A**' to this report.

CORPORATE GOVERNANCE

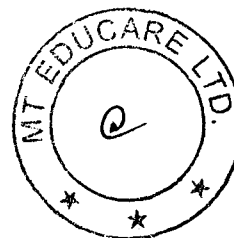
A separate report on Corporate Governance is furnished as a part of Directors Report in '**Annexure B**'.

AUDITORS

M/s. Shaparia & Mehta, Chartered Accountants, Auditors of the Company, shall retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received letter / certificate from M/s. Shaparia & Mehta to the effect that their appointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

EMPLOYEE STOCK OPTION PLAN

The employee stock options of your Company presently operate under two different employee stock options schemes for the employees of your Company, namely ESOP 2011 - I and ESOP 2011 - II. ESOP 2011 - I is not in compliance with the provisions of the SEBI ESOP Guidelines, as your Company, being an unlisted Company, is not required to comply with the provisions thereof. There are no outstanding options under ESOP 2011 - I and your Company does not intend to make any further grant of options under the ESOP 2011 - I. ESOP 2011 - II is in compliance with the SEBI ESOP Guidelines. The details of the ESOP schemes of your Company are as mentioned in '**Annexure C**', forming part of the Directors Report.



MT ASSOCIATES TRUST

The MT Associates Trust (the "Associate Trust") is an independent irrevocable trust established by a trust deed dated 13th May, 2011 ("Trust Deed") for the benefit of certain persons associated with your Company through a subsisting valid contract of engagement for their services in their capacity as (i) faculty members across various coaching centers and courses, both full-time and part time; (ii) persons who structure and organize various courses offered by our Company; (iii) persons who manage various coaching centers and/or (iv) provide administrative assistance in relation to the business of our Company (the "Trust Beneficiaries").

Pursuant to the Board and Shareholders' resolutions dated 8th April, 2011 and 13th April, 2011, respectively and the Trust Deed, your Company has on 11th June, 2011 allotted 6,80,966 Equity Shares at a consideration of ₹.10 per Equity Share to the Associate Trust ("Trust Shares"). The Trust Shares shall be held by the Associate Trust, in the name of the Trustee, in trust for and on behalf of the Trust Beneficiaries.

ACQUISITIONS

- Your Company was holding 18% of the paid-up share capital of MT Education Services Private Limited (MTESPL). It has subsequently, on 7th April, 2011 acquired the balance 82% shares from its existing shareholders, thereby making MTESPL, a wholly owned subsidiary of your Company.
- Your Company has entered into a Memorandum of Understanding dated 14th May, 2011, for purchase of property situated at Mangaiore, for an aggregate consideration of ₹ 8,70,00,000, of which the Company has paid a sum of ₹ 1,00,00,000.

CHANGE OF NAME OF COMPANY

Pursuant to resolution in terms of Section 31/21 read with Section 44 of the Companies Act, 1956 passed in the Extra Ordinary General Meeting of the Company held on 13/04/2011, name of your Company was changed from MT Educare Private Limited to MT Educare Limited and that the required documents were filed with the Registrar of Companies, Maharashtra, Mumbai.

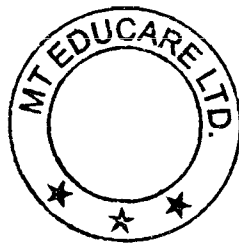
Your Company is in receipt of Fresh Certificate of Incorporation dated 18th May, 2011 consequent upon Change of Name on conversion to Public Limited Company.

APPRECIATION

Your Directors record their sincere gratitude for the assistance and co-operation provided by Banks, Government Authorities, Customers, Suppliers and Shareholders of the Company.

Your Directors wish to place on record there deep appreciation to all the Visiting Faculty, Lecturers, Employees of **MT Educare FAMILY** for their hard work, commitment, dedicated services and collective contribution.

Place: Mumbai
Date: 19th August, 2011



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For and on behalf of the Board of **Directors**


Mahesh R. Shetty
CMD


Dr. Chhaya Shastri
Director



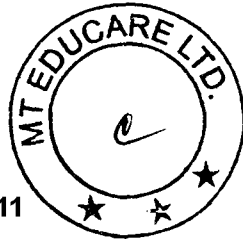
"ANNEXURE A"

Particulars of Employees as per sub-section (2-A) of Section 217 of the Companies Act, 1956 is as under:


Name of the Employee	Mr. Mahesh Raghu Shetty
Designation	Chairman & Director
Remuneration received (incl. reimbursements)	₹ 4,824,000 (previous year ₹ 5,360,000)
Nature of Employment, whether contractual or otherwise	Contractual
Other terms & Conditions	Refer note below
Nature of Duties	Refer note below
Qualification and experience	Bachelors Degree in Science as well as in Education
Date of Commencement of Employment	Founder member and Associated with Mahesh Tutorials since Inception (27 years)
Age (Years)	46
Last employment held before joining the Company	Not Applicable
Percentage of Equity shares held by the Employee	48.21 %

Note: The nature of employment of the above employee is contractual in nature. The nature of duties and other terms & conditions is as per the resolution passed in the Extra-Ordinary General Meeting of the Company held on 11/06/2011.

Place: Mumbai
Date: 19th August, 2011



For and on behalf of the Board of Directors


Mahesh R. Shetty
CMD


Dr. Chhaya Shastri
Director



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Report on Corporate Governance

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

The company's philosophy on code of governance is aimed at assisting the management and the board of directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. These practices endeavor to attain balance among enhancement of stakeholder value, achievement of financial objective and corporate social responsibility.

2. BOARD OF DIRECTORS

Composition and size of the Board ~ The current strength of the Board of Directors of your company is Eight. The Chairman and Managing Directors is an Executive Director while others are non-executive Directors. Of the Seven Non-executive Directors, four are independent while the remaining three are non-independent.

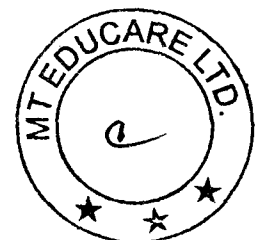
3. AUDIT COMMITTEE

The Audit Committee was constituted by a meeting of the Board held on June 2, 2011. The Audit Committee is chaired by Ms. Drushti Desai, Chartered Accountant by profession and having a wide experience on financial and taxation issues. All other members of the Committee viz. Mr. Uday Lajmi and Dr. Chhaya Shastri are financially literate within the meaning of clause II(A) explanation 1 of clause 49 of the Listing Agreement

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- (a) Overseeing our financial reporting process and the disclosure of our financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- (c) Approval of payment to statutory auditors for any other services rendered by them;
- (d) Reviewing with the management the half yearly and annual financial statements before submission to the Board;
- (e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- (f) Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit;
- (g) Discussing with internal auditors regarding any significant findings and follow up thereon;
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

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- (i) Discussing with external auditors before the audit commences, nature and scope of the audit, as well as have post audit discussion to ascertain any area of concern;
- (j) Reviewing our financial and risk management policies;
- (k) Looking into the reason for substantial defaults in payments to depositors, debenture holders, shareholders and creditors;
- (l) Reviewing the functioning of the whistle blowing mechanism, in case the same is formulated;
- (m) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of public or rights issue and making appropriate recommendations to the board to take up steps in this matter; and
- (n) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the audit committee shall include the power to:

- a. Investigate any activity within its terms of reference;
- b. Seek information from any employee;
- c. Obtain outside legal or other professional advice;
- d. Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

4. REMUNERATION COMMITTEE

The Remuneration Committee was constituted by a meeting of the Board held on June 2, 2011. The Remuneration Committee comprises of three Independent, Non-Executive Directors namely Mr. Cyrus Driver as the Chairman and Mr. Yatin Saman and Mr. Uday Lajmi as members

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The terms of reference of the Remuneration Committee include the following:

- a. To review the remuneration of whole time / Managing Director, including annual increment and commission after reviewing their performance;
- b. Review the remuneration policy followed by our Company, taking into consideration the performance of senior executives on certain prescribed parameters; and
- c. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration committee.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders' and Investors' Grievances Committee was constituted by the Board at their meeting held on June 2, 2011. The Committee is chaired by Mr. Yatin Samant and other members include Ms. Drushti Desai and Dr. Chhaya Shastri. This Committee is responsible for the redressal of shareholders' grievances. The terms of reference of the Shareholders and Investors Grievance Committee of our Company include the following:

- a. To approve share transfer and transmissions;
- b. To approve splitting of share certificates, consolidation of share certificates and related matters including issue of fresh share certificates in lieu of the split / consolidated certificates;
- c. Issue of duplicate share certificates in lieu of lost, mutilated and destroyed certificates;
- d. Matter relating to dematerialization of shares and securities; and
- e. Investor relation and redressal of shareholders grievances in general and relating to non receipt of dividend, interest, non-receipt of annual report etc. in particular.

NON-MANDATORY REQUIREMENTS

• The Board

The Chairman of the company is executive and hence the provision with regard to maintenance of chairman's office as contained in the non-mandatory requirement is not relevant. All independent directors significantly contribute to the deliberation of the board and direction of the company irrespective of duration of their tenure. The non-mandatory condition that independent directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the board of a company will be considered when deemed fit by the board of the company. The board takes into account qualification and experience of independent director, which would be of use to the company and which would enable him to contribute to the company in his capacity as independent director.

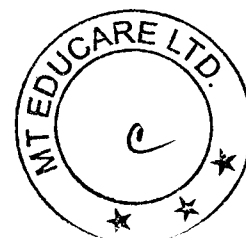
• Remuneration Committee

The Company has set up Remuneration Committee comprising of three independent directors, which determines remuneration payable to the executive director(s) of the company.

• Shareholders rights

The financial results will be posted on the company's website. The significant events, if any, too are posted on the company's website and in view of this, summary of such events is not separately sent to the shareholders.

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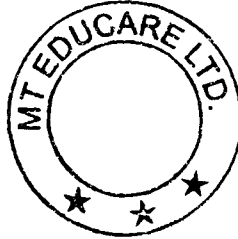
• **Training and Evaluation**

The training of board members and evaluation of performance of non-executive directors as envisaged under clause 49 of the listing agreement will be considered as and when such need arises.


• **Whistle Blower Policy**

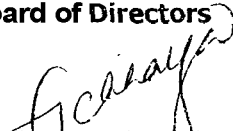
The company at present has not established formal whistle blower policy mechanism. However, no personnel of the company have been denied any access to the audit committee.

Place: Mumbai
Date: 19th August, 2011



For and on behalf of the Board of Directors


Mahesh R. Shetty
CMD

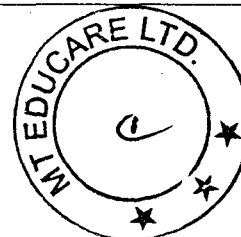

Dr. Chhaya Shastri
Director

Details of ESOP Schemes
1. Employee Stock Option Scheme 2011 - I ("ESOP 2011 - I")

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

The Shareholders of your Company in their meeting held on April 13, 2010 had approved the grant of 1,40,887 options convertible into 1,40,887 Equity Shares of face value ₹ 10 each, pursuant to which our Company granted 1,40,886 options convertible into 1,40,886 Equity Shares of face value ₹ 10 each, which represents 0.40% of the pre-Issue paid-up equity capital of your Company. The additional one option was annulled in the meeting of our Board of Directors held on June 2, 2011. The options granted under ESOP 2011 - I have been exercised and converted into 1,40,886 Equity Shares. The following table sets forth the particulars of the options granted under ESOP 2011 - I

Particulars	Details
Options granted	1,40,886
The pricing formula	Under ESOP 2011- I, Equity Shares pursuant to exercise of the options were issued at face value, i.e., ₹ 10
Exercise price of options	₹ 10
Total options vested	1,40,886
Options exercised	1,40,886
Total number of Equity Shares that would arise as a result of full exercise of options already granted	1,40,886
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	₹ 14,08,860
Options outstanding (in force)	Nil
Person wise details of options granted to	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	NA
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NA. your Company has used the fair value of options for the purpose of recognizing employee compensation cost.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise	NA



Particulars	Details
price either equals or exceeds or is less than the market price of the stock	
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>your Company has adopted Black Scholes method to estimate the fair value of options with the following assumptions:</p> <p>(i) Risk-free interest rate: 8.3%; (ii) Expected Life: 0.15 years; (iii) Expected volatility - 33% (Based on historical prices of the peer companies); (iv) Expected dividends: Nil (v) Price of underlying share in market at the time of grant of the option: NA</p>
Vesting schedule	The options vested immediately on the grant of the options
Lock-in	NA*
Impact on profits of the last three years	Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Nil
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2011 - I within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

* The Equity Shares allotted to the employees pursuant to conversion of the options granted to them under ESOP 2011 - I are subject to a lock-in of one year from the date of Allotment in the Issue, in accordance with the SEBI Regulations.

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below under ESOP 2011 - I:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Anish Thakkar	87,383	87,383	Nil	3,19,967
Chandresh Fooria	20,611	20,611	Nil	4,22,353
Shrenik Kotecha	10,117	10,117	Nil	2,31,085
Sujeet Koyoot	10,117	10,117	Nil	2,31,085
Anup Gandhi	7,000	7,000	Nil	7,000
Ashwin M. Patel	2,500	2,500	Nil	2,500

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2011 - I:

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Name of Employee	No. of options granted
Anish Thakkar	87,383
Chandresh Fooria	20,611
Shrenik Kotecha	10,117
Sujeet Koyoot	10,117

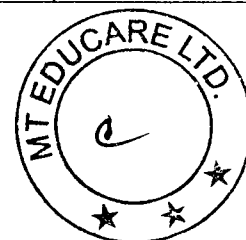
2. Employee Stock Option Scheme 2011 - II ("ESOP 2011 - II")

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

Your Company has granted 2,72,912 options convertible into 2,72,912 Equity Shares of face value ₹ 10 each under ESOP 2011 - II, which represents 0.78% of the pre-Issue paid-up equity capital of our Company. Your Company does not intend to make further grant of options under ESOP 2011 - II. The following table sets forth the particulars of the options granted under ESOP 2011 - II:

Particulars	Details
Options granted	2,72,912
The pricing formula	Under ESOP 2011 - II, Equity Shares pursuant to exercise of the options were issued at face value, i.e., ₹ 10
Exercise price of options	₹ 10
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	2,72,912
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	2,72,912
Person wise details of options granted to	
(i) Directors and key management employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant	Nil
Fully diluted EPS on a pre-issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	NA
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NA. Your Company has used the fair value of options for the purpose of recognizing employee compensation cost.

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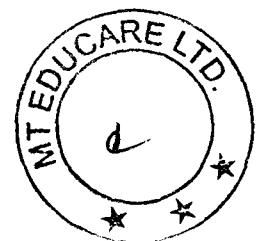
Particulars	Details
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>your Company has adopted Black Scholes method to estimate the fair value of options with the following assumptions:</p> <ul style="list-style-type: none"> (i) Risk-free interest rate: 8.3%; (ii) Expected Life: 1.91 years (weighted average of various vesting periods); (iii) Expected volatility - 33% (Based on historical prices of the peer companies); (iv) Expected dividends: Nil (v) Price of underlying share in market at the time of grant of the option: NA
Vesting schedule	Please see Note 3 below
Lock-in	NA
Impact on profits of the last three years	Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	NA
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2011 - II within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below under ESOP 2011 - II:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	Total No. of Equity Shares held
Anish Thakkar	1,20,672	Nil	1,20,672	3,19,967
Chandresh Fooria	48,091	Nil	48,091	4,22,353
Shrenik Kotecha	23,607	Nil	23,607	2,31,085
Sujeet Koyoot	23,607	Nil	23,607	2,31,085
Anup Gandhi	20,998	Nil	20,998	7,000
Ashwin M. Patel	7,500	Nil	7,500	2,500

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2011 - II:

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Name of Employee	No. of options granted
Anish Thakkar	1,20,672
Chandresh Fooria	48,091
Shrenik Kotecha	23,607
Sujeet Koyoot	23,607
Anup Gandhi	20,998

Note 3: Vesting schedule of the options granted under ESOP 2011 - II:

Date of vesting	Percentage of options granted under ESOP 2011 - II (%)		
	Category - I*	Category - II*	Other Employees
September 30, 2012 or the date of expiry of one year from the date of listing of Equity Shares, whichever is later	50.00	33.33	22.22
April 30, 2013 or the date of expiry of one year from the date of listing of Equity Shares, whichever is later	50.00	33.33	33.33
April 30, 2014 or the date of expiry of one year from the date of listing of Equity Shares, whichever is later	Nil	33.34	44.45

* Category - I and Category - II consist of key management personnel of our Company.

Place: Mumbai
Date: 19th August, 2011



For and on behalf of the Board of Directors


Mahesh R. Shetty
CMD


Dr. Chhaya Shastri
Director

AUDITOR'S REPORT

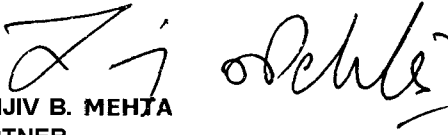
**TO,
The members of MT Educare Limited
(Earlier MT Educare Private Limited)**

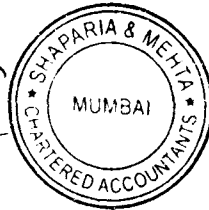
1. We have audited the attached Balance Sheet of **MT EDUCARE LIMITED (Earlier MT Educare Pvt. Ltd.)**, as at 31st March, 2011, the Profit and Loss Account & Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 as amended by the Companies(Auditor's Report)(Amendment) Order,2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments, in the Annexure referred to in Paragraph 3 above, we report that:-
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examinations of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the State of the Affairs of the Company as at 31st March, 2011;
 - in the case of the Profit & Loss Account, of the **Profit** for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SHAPARIA & MEHTA
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. : 112350W


SANJIV B. MEHTA
PARTNER
MEMBERSHIP NO. : 34950



PLACE : MUMBAI
DATED : 19th August, 2011.

**ANNEXURE TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE**

- i. (a) The Company has maintained location wise records of fixed assets in excel sheet in terms of value and quantity.
- (b) All fixed assets have not been physically verified by the management during the year but there is an annual programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification. [Paragraph 4(i)(b)]
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year. [Paragraph 4(i)(c)]
- ii. (a) The Company is engaged in providing services and primarily engaged in the business of providing commercial training and coaching. Accordingly it does not hold any physical inventory, thus the provisions of Paragraph 4(ij) of the order are not applicable to the Company. [Paragraph 4(ii)(a)]
- iii. (a) According to the information and explanations given to us the Company has granted unsecured loan to three parties covered in the register maintained under section 301 of the companies Act 1956. [Paragraph 4(iii)(a)]. The Closing Balance as on 31.03.2011 is Rs.21,25,000 and the maximum balance outstanding during the year is Rs 5,29,66,507.

Particulars	No of Parties	Amount (Rs.)
Opening balance	2	24,75,000
Loan granted during the year	1	5,04,91,507
Loan recovered during the year	2	5,08,41,507
Closing balance	1	21,25,000

b) Interest is charged on two of the unsecured loans. In our opinion and according to the information and explanations given to us the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. [Paragraph 4(iii)(b)]

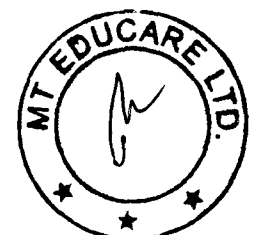
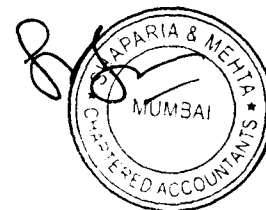
(c) In the absence of specified due dates for the repayment of loans granted, the question of irregularity does not arise [Paragraph 4(iii)(c)]

(d) In respect of the aforesaid loans, there is no overdue amount of more than Rupees One lakh [Paragraph 4(iii)(d)]

(e) The Company has not taken any loans, secured or unsecured from the Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. hence the question of reporting under sub- clause (e) to (g) does not arise.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas. The activities of the Company do not involve purchase of inventory and sale of goods. [Paragraph 4(iv)]

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- v. (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered. [Paragraph 4(v)(a)]
- (b) In our opinion and according to the information and explanations given to us, in respect of lecture services rendered, these being of professional nature, the market values are not readily ascertainable. The transactions made in pursuance of such contract or arrangements are made at prices which are reasonable. [Paragraph 4(v)(b)]
- vi. The Company has not accepted any deposits from public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under. [Paragraph 4(vi)]
- vii. In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business. [Paragraph 4(vii)]
- viii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the company. [Paragraph 4(viii)]
- ix. (a) According to information and explanations given to us and according to the books and records examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, [Paragraph 4(ix)(b)] Income tax demand of Rs 57,48,303 pertaining to Assessment year 2007-2008 has not been deposited on account of appeal being filed with Income Tax Tribunal against the order of Commissioner of Income Tax (Appeal)
- x. As the Company is registered for the period of less than five years, the provision of accumulated losses equal to or more than 50% of net worth and cash losses in such financial year and in the immediately preceding financial year under clause (x) of Paragraph 4 of the order are not applicable to the company. [Paragraph 4(x)]
- xi. Based on our audit procedures and on the information and explanation given to us, in our opinion the company has not defaulted in repayment of dues to a bank as at the balance sheet date. The company has no dues in respect of a financial institution and has not issued any debentures during the year. [Paragraph 4(xi)]
- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. [Paragraph 4(xii)]
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit/ society. Therefore the provisions of clause 4(xiii) of the order are not applicable to the company. [Paragraph 4(xiii)]
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The mutual fund units have been held by the Company, in its own name. [Paragraph 4(xiv)]
- 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 banks or financial institutions during the year. [Paragraph 4(xv)]
- xvi. In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year covered by our report. [Paragraph 4(xvi)]

- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. [Paragraph 4(xvii)]
- 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 Act during the year. [Paragraph 4(xviii)]
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year covered by our report. [Paragraph 4(xix)]
- xx. The Company has not raised any money by public issues during the year and accordingly the provisions of Clause 4 (xx) of the order are not applicable to the Company. [Paragraph 4(xx)]
- xxi. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management. [Paragraph 4(xxi)]

For SHAPARIA & MEHTA
CHARTERED ACCOUNTANTS
FIRM REGN NO. : 112350W


SANJIV B. MEHTA
PARTNER
MEMBERSHIP NO. : 34950



PLACE : MUMBAI
DATED : 19th August , 2011.

BALANCE SHEET AS AT 31ST MARCH, 2011

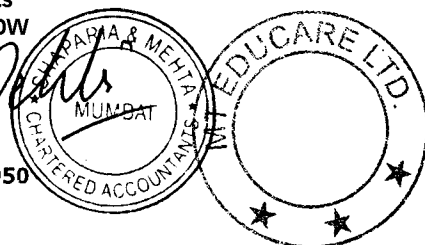
(Amount in ₹)

PARTICULARS	SCH. NO.	AS AT 31.03.2011	AS AT 31.3.2010
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	1	343,510,200	10,409,400
Reserves & Surplus	2	133,994,244	400,866,938
LOAN FUNDS			
Secured Loan	3	45,000,000	-
TOTAL		522,504,444	411,276,338
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	564,815,544	503,193,169
Less : Depreciation		(241,893,464)	(173,764,056)
Net Block		322,922,080	329,429,113
Capita! WIP		9,142,301	30,702,002
INVESTMENTS	5	248,350,430	188,430,221
DEFERRED TAX ASSET		31,268,102	21,737,224
A) CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	6	52,010,409	11,946,705
Cash and Bank Balances	7	204,331,965	118,802,869
Loans and Advances	8	251,543,320	187,215,625
		507,885,694	317,965,199
B) CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	443,838,705	403,030,972
Provisions	10	153,225,458	73,956,449
		597,064,163	476,987,421
NET CURRENT ASSETS(A-B)			
		(89,178,469)	(159,022,222)
TOTAL		522,504,444	411,276,338
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	19		

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet

As per our report of even date
 For Shaparia & Mehta
 Chartered Accountants
 Firm Reg No. : 112350W

Sanjiv B. Mehta
 Partner
 Membership No. : 34950



Place : Mumbai
 Dated : 19th August , 2011

For and on behalf of the Board

Mahesh R. Shetty
 Director

Dr. Chhaya Shastri
 Director

Anup Gandhi
 Chief Financial Officer

Ashwin M. Patel
 Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

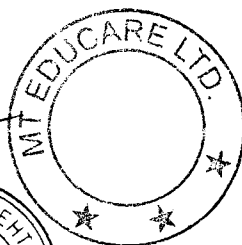
PARTICULARS	SCH. NO.	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
INCOME			
Direct Income	11	1,024,316,223	827,551,116
Operating Income	12	23,547,183	4,903,510
		1,047,863,406	832,454,626
EXPENDITURE			
Direct Expenses	13	550,899,994	455,581,765
Personnel	14	134,922,804	114,933,317
Administrative Expenses	15	107,494,192	78,360,209
Selling Expenses	16	65,315,445	58,608,628
		858,632,435	707,483,919
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTISATION		189,230,971	124,970,707
Financial Expenses	17	1,180,748	2,073,544
Depreciation And Amortisation	4	83,023,159	78,727,928
		105,027,064	44,169,235
OPERATING PROFIT AFTER INTEREST, DEPRECIATION AND AMORTISATION			
Non Operating Income	18	25,621,684	25,460,502
PROFIT/(LOSS) BEFORE TAX		130,648,748	69,629,737
PROVISION FOR TAXES			
Current Tax		57,600,000	38,730,000
Deferred Tax		(9,530,878)	(16,633,052)
NET PROFIT / (LOSS) AFTER TAX		82,579,626	47,532,789
AMOUNTS AVAILABLE FOR APPROPRIATION		82,579,626	47,532,789
Appropriations for the year			
Proposed Dividend		14,069,152	-
Dividend Distribution Tax		2,282,368	-
Transfer to General Reserve		66,228,106	47,532,789
BALANCE CARRIED OVER TO BALANCE SHEET		-	-
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	19		

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet

As per our report of even date
For Shaparia & Mehta
Chartered Accountants
Firm Reg No. : 112350W

Sanjiv B. Mehta
Partner
Membership No. : 34950

Place : Mumbai
Dated : 19th August, 2011



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For and on behalf of the Board

Mahesh R. Shetty Director
Dr. Ohaya Shastri Director

Anup Gandhi Chief Financial Officer
Ashwin M. Patel Company Secretary



SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011

SCHEDULE "1"
SHARE CAPITAL

(Amount in ₹)

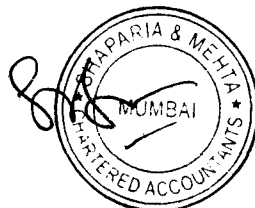
PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Authorised Share Capital 35,000,000 Equity Shares of Rs 10 each (Previous Year 2,000,000 Equity Shares of Rs. 10 each) NIL Unclassified Shares of Rs 10 each (Previous Year 33,000,000 Unclassified Shares of Rs. 10 each)	350,000,000 -	20,000,000 330,000,000
	350,000,000	350,000,000
Issued Subscribed and Paid-up Capital 34,351,020 Equity Shares of Rs. 10 each fully paid-up (Of the above 34,177,530 Equity Shares fully paid up are allotted as Bonus Shares) (Previous year 1,040,940 Equity Shares of Rs.10 each fully paid-up) (Of the above 867,450 Equity Shares fully paid up are allotted as Bonus Shares)	343,510,200	10,409,400
	343,510,200	10,409,400

SCHEDULE "2"
RESERVES AND SURPLUS

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
<u>General Reserve</u> Opening Balance Transferred from Profit and Loss Account Provision for Gratuity Less : Bonus Issue	81,456,348 66,228,106 - (13,690,210)	33,185,309 47,532,789 738,250 -
	133,994,244	81,456,348
<u>Securities Premium</u> Opening balance Additions during the year Less : Bonus Issue	319,410,590 - (319,410,590) -	328,085,090 - (8,674,500) -
	-	319,410,590
	133,994,244	400,866,938

SCHEDULE "3"
SECURED LOAN

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Loan from The Shamrao Vithal Co-operative Bank Limited (Secured against pledge of Fixed Deposit)	45,000,000	-
	45,000,000	-



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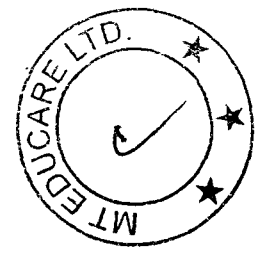
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE "4"
FIXED ASSETS

(Amount in ₹)

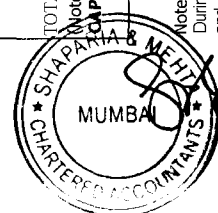
PARTICULARS	RATE	GROSS BLOCK		DEPRECIATION FOR THE YEAR		NET BLOCK					
		AS AT 01.04.2010	ADDITIONS	DEDUCTIONS	AS AT 31.03.2011	UP TO 31.03.2010	DEDUCTIONS	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010	
TANGIBLE ASSETS											
Building	5.00%	68,007,560	-	-	68,007,560	4,011,902	-	3,199,783.00	60,795,875	7,211,685	53,995,658
Plant & Machinery	13.91%	118,333,322	23,803,970	2,296,519	139,840,773	27,868,697	379,106	14,822,568.00	97,528,614	42,312,159	90,464,625
Plant & Machinery	40%	21,499,644	4,687,944	-	26,187,588	12,981,983	-	4,925,139.00	5,280,466	17,907,122	8,517,661
Furniture & Fixtures	25.88%	262,724,119	33,478,679	25,609,842	269,592,956	111,976,724	14,514,645	43,231,615.00	128,899,262	140,693,694	150,747,395
Vehicle	25.89%	2,933,999	-	-	2,933,999	1,107,180	-	472,963.00	1,353,856	1,580,143	1,826,819
Bicycle	20.00%	26,950	-	-	26,950	14,350	-	-2,520.00	10,080	16,870	12,600
INTANGIBLE ASSETS											
Goodwill	33.33%	-	-	-	-	-	-	-	-	-	-
- Purchased	100%	3,050,000	-	-	3,050,000	1,533,180	-	1,016,770.00	500,050	2,549,950	1,516,820
- Self Generated	33.33%	5,992,015	17,245,143	-	5,992,015	5,992,014	-	-	1	5,992,014	1
Technology Aided Teaching	33.33%	12,220,060	4,200,000	-	29,465,203	4,072,946	-	9,725,202.00	15,667,055	13,798,148	3,147,114
Non Compete Fees	33.33%	8,400,000	7,108,000	-	12,600,000	4,199,580	-	4,200,000.00	4,200,420	8,399,580	4,200,420
ERP - SAP Software	20%	-	5,000	-	7,108,000	-	-	1,421,600.00	5,686,400	1,421,600	-
Trademark	100%	5,500	-	-	10,500	5,500	-	4,995.00	1	10,499	-
TOTAL		503,193,169	90,528,736	28,906,361	564,815,544	173,764,056	14,893,751	83,023,159.00	323,922,080	241,893,464	329,429,113
(Note)		30,702,002	75,282,828	96,842,529	9,142,301	-	-	-	9,142,301	-	30,702,002
CAPITAL WORK IN PROGRESS											

Note : During the year ended 31st March, 2008 opening balance of Gross Block of certain Fixed Assets under the respective heads of "Tangible Assets" brought forward from Financial year 2006-07 were erroneously stated at Written Down Value instead of their gross value, and hence the Gross Block and Accumulated Depreciation of Fixed Assets were understated by ₹ 18,23,919 respectively. Accordingly both Gross Block & Accumulated Depreciation as at 01.04.2010 have been increased by ₹ 18,23,919 under the respective heads of "Tangible Assets".



MP

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**SCHEDULE "5"
INVESTMENTS**

(Amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Long term, Unquoted Trade Investments (At Cost)		
Investment in Subsidiary Companies 41,633 Equity Shares of Rs. 10 each fully paid up of Chitale's Personalised Learning Private Limited.	12,000,000	-
Investment in Debentures 17,500 6% NCD at Rs.1,000 each of MT Education Services Private Limited (Previous year 10,000 6% NCD of Rs. 1000 each)	17,500,000	10,000,000
Others 1,800 Equity Shares of Rs. 10 each fully paid up of MT Education Services Private Limited	18,000	13,000
1,250 Equity Shares of Rs. 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	31,250	31,250
(A)	29,549,250	10,049,250
Non Trade Investments		
Mutual Funds		
Franklin Templeton India STI Plan - DDR (13342.194 units of NAV of 1131.80, Previous Year NIL)	15,000,000	-
ICICI Prudential Flexible Income Plan (118,542.185 units of NAV of 105.7350, Previous Year 3,13,486.0589 units of NAV of 105.7350)	12,534,057	33,146,447
ICICI Prudential Blended Plan B (2001197.329 units of NAV of 10.0075)	20,026,982	29,777,460
ICICI Prudential FMP Series 53 - 1 yr plan (1,000,000 units of NAV of 10, Previous Year NIL)	10,000,000	-
IDFC Ultra Short Term Fund Monthly - Dividend (4,322,862.662 units of NAV of Rs.10.1052, Previous Year NIL) (Excluding provision for Diminution in Current Investment of Rs.217872)	43,683,392	-
LIC MF Interval Fund - Monthly Plan Series - 1 (D) (2,003,300 units of NAV of Rs.10)	-	20,033,000
LIC MF Savings Plus Fund (4,496,553.5510 units of NAV of Rs.10)	-	44,965,535
Reliance Fixed Horizon Fund - XVII - Series - I (G) (750,374.386 units of NAV of Rs.10.2509, Previous Year NIL)	7,503,744	-
Reliance Fixed Horizon Fund - XV - Series - 8 (G) (2,155,767.664 units of NAV of Rs.10.4111, Previous Year NIL)	21,557,677	-
Reliance monthly interval Fund - Series I - DP (844,533.579 units of NAV of 10.0444, Previous Year NIL)	8,448,123	-
Reliance regular Saving Fund - Debt Growth (2,329,576.631 units of NAV of 13.3959, Previous Year 827,369.3790 units of NAV of Rs. 12.0855)	30,000,000	10,000,000
Reliance Qrtrly. Interval Fund - 3M - DDR (2,236,854.1217 units of NAV of 13.7178)	-	20,458,529
IDFC FMP - Monthly Series 30 - Dividend (504,720.493 units of NAV of Rs.10.0243, Previous Year NIL)	5,047,205	-
Reliance Fixed Horizon Fund - XVIII - Series - 4 DO (2,500,000.00 units of NAV of Rs.10.0770, Previous Year NIL)	25,000,000	-
Reliance Fixed Horizon Fund - XVIII - Series - 5 DP (2,000,000.00 units of NAV of Rs.10.0242, Previous Year NIL)	20,000,000	-
Debentures		
Citi Financial NCD - Series 438 (200 Secured Redeemable Non Convertible Debentures of Rs. 100,000 each)	-	20,000,000
(B)	218,801,180	178,380,971
	248,350,430	188,430,221

(A) + (B)

25

248,350,430

188,430,221

SCHEDULE " 6"
SUNDRY DEBTORS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Unsecured, considered good		
- More than six months	11,142,511	-
- Others	43,254,150	13,446,705
Less : Provision for Doubtful Debts	(2,386,252)	(1,500,000)
	52,010,409	11,946,705

SCHEDULE "7"
CASH AND BANK BALANCES

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Cash on hand	891,933	487,524
Balance with Scheduled Banks		
- in Current accounts	23,263,669	4,029,992
- in Fixed deposits	180,176,363	114,285,353
	204,331,965	118,802,869

SCHEDULE "8"
LOANS AND ADVANCES

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Advances recoverable in cash or kind or for value to be received	21,686,409	22,724,538
Deposits	90,158,708	88,726,380
Statutory Advances	136,107,671	70,580,177
Others	3,590,532	5,184,530
	251,543,320	187,215,625

SCHEDULE "9"
CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Advance Fees	382,719,351	375,635,066
Advance Received from Franchisee	4,250,000	5,087,537
Outstanding Expenses	35,216,649	9,096,038
Statutory Liabilities	4,072,347	4,996,933
Sundry Creditors	17,580,358	8,215,398
	443,838,705	403,030,972

SCHEDULE "10"
PROVISIONS

PARTICULARS	AS AT 31.03.2011	AS AT 31.3.2010
Proposed Dividend	14,069,152	-
Dividend Distribution Tax	2,282,368	-
Employee Benefits	6,990,378	1,665,179
Income Tax	125,433,817	67,833,817
Fringe Benefit Tax	4,449,743	4,457,453
	153,225,458	73,956,449

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE "11"
DIRECT INCOME

(Amount in ₹)

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Fees recognised	1,111,332,378	916,187,240
Less : Discount	(65,472,458)	(56,544,168)
Concession	(21,543,697)	(32,091,956)
	1,024,316,223	827,551,116

SCHEDULE "12"
OPERATING INCOME

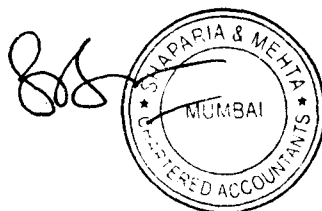
PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Government Grants	23,547,183	4,903,510
	23,547,183	4,903,510

SCHEDULE "13"
DIRECT EXPENSES

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Rent, Rates & Taxes	179,422,716	159,731,144
Electricity	39,327,406	35,587,006
Study Material Charges	55,335,386	49,148,653
Visiting Lecturer Fees	276,814,486	211,114,962
	550,899,994	455,581,765

SCHEDULE "14"
PERSONNEL EXPENSES

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Salary & Management Remuneration	129,956,108	104,348,723
Contribution to Provident & Other Funds	1,442,669	4,381,880
Staff related expenses	3,524,027	6,202,714
	134,922,804	114,933,317



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SCHEDULE "15"
ADMINISTRATIVE EXPENSES

(Amount in ₹)

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Loss on Sale / Relocation of Assets	13,847,530	13,028,232
Miscellaneous Expenses	12,894,064	12,111,069
Repairs & Maintenance	15,700,188	10,983,938
Professional fees	17,721,675	10,316,903
Telephone & Internet Charges	10,241,499	9,307,469
Traveling & Conveyance Expenses	11,467,475	6,095,980
Printing & Stationery	3,828,700	4,880,654
Security Charges	4,671,421	3,507,942
Bad Debts	73,827	1,556,888
Provision for Bad & Doubtful Debts	2,386,252	1,500,000
Donation	3,047,644	1,765,327
Seminar & Training Expenses	4,795,118	1,233,917
Postage, Courier & Transport Charges	1,492,093	899,818
Auditor's Remuneration	825,000	725,000
Amount Written off	3,691,114	225,648
Insurance Expenses	284,168	221,424
Provision for Diminution in Current Investment	217,872	-
Foreign Exchange Fluctuation	308,552	-
	107,494,192	78,360,209

SCHEDULE "16"
SELLING EXPENSES

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Advertisement & Publicity	64,405,064	57,721,016
Sales Promotion	910,381	887,612
	65,315,445	58,608,628

SCHEDULE "17"
FINANCIAL EXPENSES

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Bank charges and Commission	938,632	1,192,417
Interest on Bank Overdraft / Term Loan	21,575	10,788
Other Interest	220,541	870,339
	1,180,748	2,073,544

SCHEDULE "18"
NON OPERATING INCOME

PARTICULARS	YEAR ENDED 31.3.2011	YEAR ENDED 31.3.2010
Dividend Income	7,147,277	4,914,603
Long Term Capital Gain	749,845	1,108,000
Short Term Capital Gain	96,307	-
Interest Income		
Bank (Tax Deducted at source - Rs.11,28,321/-)	10,413,426	12,212,293
Others (Tax Deducted at source - Rs.81,789/-)	2,674,501	4,325,129
Other Income (Tax Deducted at source - Rs.10,12,503/-)	4,540,328	2,900,477
	25,621,684	25,460,502

MT EDUCARE LTD.

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule 19: Statement of Significant Accounting Policies and Notes to Accounts

BACKGROUND

MT Educare Limited was incorporated under the Companies Act, 1956 on 19th August, 2006 and is engaged in the business of conducting commercial training, coaching / tutorial classes and activities incidental and ancillary thereto.

PART I: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are furnished only to the extent applicable to the Company.

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and except for the changes if any, in accounting policy discussed herein below in detail, are consistent with those used in the previous year.

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

2. Use of Estimates

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

3. Fixed Assets and Capital Work In Progress

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

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

Capital Work In Progress are assets not ready for the intended use as at the Balance Sheet date and include assets at new centres which have not commenced operations till 31st March, 2011.

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

4. Intangible Assets

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

Intangible asset are stated at cost of acquisition less accumulated amortization. Amortization on the intangible assets is provided on pro-rata basis on Straight Line method based on management's estimate of useful life of the assets: i.e. over a period of 3 years on goodwill, non-compete fees and Technology Aided Teaching (TAT) and over a period of 5 years on ERP - SAP Software,

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

5. Depreciation

Depreciation on all assets is provided on Written Down Value method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Individual item(s) costing less than ₹ 5,000 and not forming part of cluster of Assets (Chairs, benches, etc.) are written off at the rate of 100%.

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

Depreciation on leasehold improvements is provided at the rates applicable to furniture & fixtures and in the manner specified in Schedule XIV of the Companies Act, 1956.

6. Impairment of Assets

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

7. Lease Rent

Operating Leases

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

8. Investment

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

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

9. Revenue Recognition

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

Revenue from fees received is recognized equally over the period of service rendered (course duration). At the time of admission, fees received from students are booked at gross amount and shown as 'advance fees'. Discounts and concessions are accounted for separately in a similar manner.

Interest income is recognized using the time-proportion method.

Dividend income is recognized when the Company's right to receive dividend is established.

10. Government Grants

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

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

11. Employee Benefits

A. Provident Fund

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

B. Gratuity

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

on the actuarial valuation at year end, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur. The part of contribution which is towards life insurance is charged to Profit & Loss Account of the year in which it becomes payable.

C. Leave Entitlement

The Company has a policy of paying Leave Encashment benefits to its employees only in the event of their resignation, based on their accumulated leave balances in accordance with the provisions of "The Bombay Shops and Establishment Act, 1948". As per the policy of the Company, an employee can accumulate a maximum of 39 days leave over a period of 2 years, after which the leave would lapse. Accordingly, leave encashment has been provided based on the last drawn monthly salary of employees in service as at 31st March, 2011.

12. Provision for Current and Deferred Taxation

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

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

13. Bad Debts

The management reviews on a periodical basis the outstanding sundry debtors with a view to determining whether the debts are good, bad, or doubtful. After taking into consideration all the relevant aspects including the financial condition of the students, the management determines whether the debt assets are bad wholly or in part. On the basis of such review and in pursuance of other prudent financial considerations, the business head determines the extent of bad debts. These established bad debts during the year are directly written off. Provision is made for the debts which seem to be doubtful.

14. Provisions, Contingent Liabilities and Contingent Assets

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

15. Earning Per Share

Basic Earning Per Share is calculated by dividing the Net Profit / (Loss) after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of Equity Shares outstanding during the period are adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period

attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

16. Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash in hand, cash at bank and fixed deposits.

17. Foreign Currency Transactions

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in Profit and loss Account.

Foreign Operations

For the current financial year accounts of the branch are consolidated by integral system of branch accounting. The monthly transactions are calculated at the month end rate for each month. Any exchange gain / (loss) arising on the translation of the financial statement is taken to the Profit & Loss Account.

18. Segment Reporting

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

PART II: NOTES TO ACCOUNTS

1. Share Capital:

During the year ended 31st March, 2011, the Company has declared a bonus of 32 shares for every share held, Accordingly, 33,310,080 Equity Shares were allotted as bonus shares to existing shareholders. The total number of Equity shares post the bonus issue are 34,351,020.

2. Intangible Assets:

During the year ended 31st March, 2011, following items were capitalized as Intangible Assets:

- Non-compete fees of ₹ 4,200,000 paid to Visiting Lecturers as per agreement dated 16th April, 2008.
- An amount of ₹ 1,730,236 incurred for in house development of Multimedia Software (TAT), has been capitalized as Intangible Assets during the period ended 31st March, 2011.
- An amount of ₹ 15,514,906 included in opening Capital Work In Progress, for in house development of Multimedia Software (TAT), has been capitalized as Intangible Assets during the year ended 31st March, 2011.
- An amount of ₹ 7,108,000, incurred towards ERP - SAP Software, included in Capital Work In Progress has been capitalized as Intangible Assets during the year ended 31st March, 2011.

3. Fixed Assets

During the year ended 31st March, 2008 opening balance of Gross Block of certain Fixed Assets under the respective heads of "Tangible Assets" brought forward from Financial year 2006-07 were erroneously stated at Written Down Value instead of their gross value, and hence the Gross Block and Accumulated Depreciation of Fixed Assets were understated by ₹ 1,823,919 respectively. Accordingly both Gross Block & Accumulated Depreciation as at 01.04.2010 have been increased by ₹ 1,823,919 under the respective heads of "Tangible Assets".

4. Contingent Liabilities:

- The company has ensured compliance of all the obligations made / undertaken as shareholder of MT Education Services Pvt. Ltd. in its Joint Venture with HT Education Ltd. The quantum of such obligation is not determinable.
- Claims against the company for income tax appeals not acknowledged as Debts, aggregates to ₹ 5,748,303.
- Guarantees issued by the bank on behalf of the Company ₹ 2,100,000 as at 31st March, 2011.

5. Remuneration to Auditors:

Particulars	2010-11 (?)	2009-10 (?)
Audit Fees	690,000	600,000
Tax Audit	135,000	125,000
Service Tax	84,975	7,4675
Total	909,975	799,675
Others		
Consultancy & Advisory Fees - Income Tax Matters	830,000	1,395,000
Service Tax	77,250	107,637
Total	907,250	1502,637

6. Operating Leases:

General description of Lease Terms:

- (i) Assets are taken on lease over a period of 2 to 10 years,
- (ii) Lease rentals are charged on the basis of agreed terms with the landlord.

The aggregate payments made by the Company during the year towards operating leases are as under:

Particulars	2010-11 (?)	2009-10 (?)
Rent for Premises	162,653,637	151,208,663

7. There is no amount payable by the Company to Micro, Small and Medium Enterprise Suppliers as defined under Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006. The identification of Micro, Small and Medium Enterprise Suppliers is based on management's knowledge of their status.

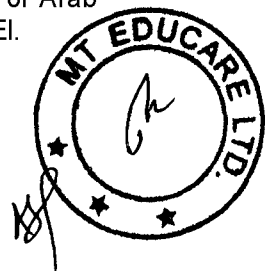
8. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March, 2011 is ? 12,479,079 (Previous year ? 13,736,491)

9. Dubai - Foreign Operations :

In the Financial year 2008-09 the Company opened its branch in Dubai, under the name of MT Management Solution to impart education to students in the United Arab Emirates (UAE). The Branch had subsequently entered into an agreement with 'Wisdom Educational Institute (WEI), based in Dubai, for providing advisory services to WEI for enabling them to impart education and coaching. In the current financial year, the Branch has earned professional fees of Arab Emirates Dirham (AED) 1,052,758 for providing advisory and professional services to WEI.

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10. Franchisee:

The Company has entered into arrangements with franchisees for conducting commercial training, coaching and tutorial classes. As per the agreements entered into with these franchisees, the franchisees are required to pay an upfront fee as brand fees to the Company, which is for a period of 3 years. Monies received by the Company as brand fees are recognized as income over this period of 3 years.

In addition to the above mentioned upfront fees, the franchisees are required to pay commission/royalty at the rates to be calculated as per the agreements entered into with them.

11. Earning Per Share:

Particulars	2010-11 (?)	2009-10 (?)
Net profit / (loss) after tax	82,579,626	47,532,789
No. of Weighted Average Equity Shares	34,351,020	34,351,020*
Basic & Diluted Earning Per Share (Face value ` 10 per share)	2.40	1.38

*The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

12. Major components of deferred tax asset arising on account of timing differences as on 31st March, 2011 are: -

Particulars	2010-11 (?)	2009-10 (?)
Timing Difference on account of Depreciation	28,915,962	20,640,196
Reversal of DTA on Expenses	-	(4,007,143)
DTA on Expenses	2,249,108	-
DTA on LTCL	103,032	-

13. In the opinion of the Board of Directors, Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business and provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.

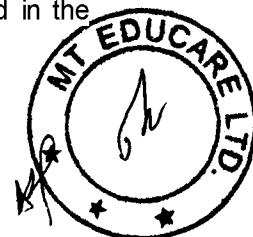
14. Remuneration to Director:

Name of the Director	Particulars	2010-11 (?)	2009-10 (?)
Mahesh Raghun Shetty	Remuneration	4,824,000	4,824,000
	Total	4,824,000	4,824,000

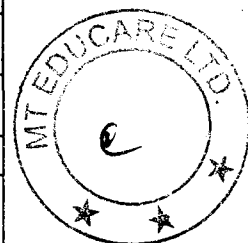
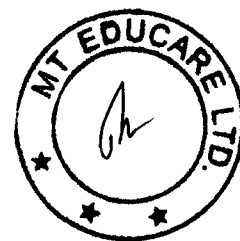
15. Gratuity:

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at the Balance Sheet date.

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Sr. No.	Particulars	Year Ended	
		2010-11 (₹)	2009-10 (?)
1	Amounts in the Balance Sheet:		
	Liabilities	8,713,042	2,415,868
	Assets	1,722,654	7,50,689
	Net Liability	6,990,378	1,665,179
	Present Value of funded obligation	6,990,378	1,665,179
2	Amounts in the Profit & Loss Account:		
	Current Service Cost	5,885,934	661,024
	Interest Cost	516,014	149,089
	Expected Return on Plan Assets	(60,055)	(42,194)
	Actuarial (gain) / loss for the year	(122,461)	(257,856)
	Total, included in 'employee benefit expense'	6,219,432	510,063
3	Reconciliation of defined benefit Obligation:		
	Present value of obligations as at the beginning of year	2,415,868	1,863,611
	Interest Cost	516,014	149,089
	Current Service cost	5,885,934	661,024
	Actuarial (gain)/ loss on obligations	(78,191)	(257,856)
	(Benefit Paid in the normal course)	(26,583)	-
	Present value of obligations at the end of year	8,713,042	2,415,868
	4	Reconciliation of plan assets	
Fair Value of plan assets at the beginning of year		750,689	340,937
Expected return on plan assets		60,055	42,194
Contributions		894,233	367,558
(Benefit Paid in the normal course)		(26,583)	-
Actuarial Gains/(Losses) on Plan Assets		44,270	-
Fair value of Plan assets at the year end		1,722,664	750,689
5	Key Assumptions used in accounting for Gratuity Plan		
	Salary Escalation	6%	4%
	Discount Rate	8%	8%



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16. Related Parties:

The Management has identified the following Companies, firms, H.U.F's, trust and individuals as related parties of the Company for the period ended 31st March, 2011 for the purposes of reporting as per AS 18 - Related Party Transactions:

Name of Related Parties and description of relationship

Name of the Related Party	Nature of Relationship
Mr. Mahesh Raghu Shetty	Director
Mr. Naarayanan Iyer	Director
M/s. Mahesh Tutorials Chembur	Director being Partner
M/s. Mahesh Tutorials Mulund	Director being Partner
MT Education Services Pvt. Ltd.	Director being Shareholder
MT Educare Charitable Trust	Director being a Trustee
Neptune Ventures & Developers Pvt. Ltd.	Director being a Director & Shareholder
Neptune Developers	Director being a Partner
Neptune Developers Limited	Director being a Director & Shareholder
Neptune Construction	Director being a Partner
Global Education Trust	Director being a Trustee

Related Party Transactions

Expenses

Name of the Payee	Nature	Amount (?)
Mr. Mahesh Raghu Shetty	Remuneration	4,824,000
Mr. Mahesh Raghu Shetty	Rent -Ambernath	529,200
M/s. Mahesh Tutorials Chembur	Rent - Chembur & Kalyan Branch	7,177,200
M/s. Mahesh Tutorials Mulund	Rent - Mulund Branch	2,379,240
Global Education Trust	Donation Given	2,892,144

Income

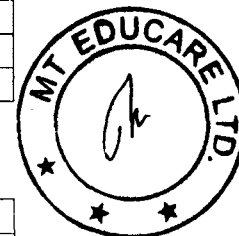
Name of the Payee	Nature	Amount (?)
MT Education Services Pvt. Ltd.	Interest on NCD	690,822
MT Educare Charitable Trust	Interest on Loan	127,064
Neptune Ventures & Developers Pvt. Ltd.	Interest on Loan	491,507

Debentures Subscribed

Name of the party	2010-11 (?)	2009-10 (?)
MT Education Services Pvt Ltd		
Opening Balance	1,0,000,000	10,000,000
Transaction during the year	7,500,000	-
Closing balance	17,500,000	10,000,000

Investment in shares

Name of the party	2010-11 (?)	2009-10 (?)
MT Education Services Pvt Ltd		



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Opening Balance	18,000	
Transaction during the year	-	18,000
Closing balance	18,000	18,000

Loan Transactions

Sr. No	Name of Party	Opening balance (?)	Granted during year (₹)	Received during year (?)	Closing balance (?)
1	MT Educare Charitable Trust	2,125,000	-	-	2,125,000
2	Neptune Ventures & Developers Pvt Ltd	-	50,000,000	50,000,000	-
3	Mahesh Tutorials Chembur	350,000	-	350,000	-

17. Acquisitions:

The Company has acquired 51% of the paid-up Equity Share Capital of Chitale's Personalised Learning Private Limited (CPLPL), which is engaged in the business of providing coaching for competitive examinations for admissions to universities offering masters in business administration degrees with effect from 1st February, 2011.

18. The previous year's figures have been regrouped, rearranged and recasted wherever found necessary.

19. Events occurring after the Balance Sheet Date:

a. Employee Stock Options

The Company instituted Employee Stock Option Schemes, ESOP 2011 – I and ESOP 2011 - II on 8th April, 2011, pursuant to Board and Shareholders' resolutions dated April 8th April, 2011 and 13th April, 2011, respectively. The Company obtained consent from its members for grant of 140,887 options convertible into 140,887 Equity Shares of face value ₹ 10 each under ESOP - I and 272,912 options convertible into 140,887 Equity Shares of face value ₹ 10 each under ESOP - II respectively. The objective of ESOP 2011 - I and ESOP 2011 - II was to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of our Company.

The Company subsequently granted 140,886 options under ESOP 2011 - I and 272,912 options under ESOP 2011 - II respectively and the balance 1 option in ESOP 2011 - I has been annulled in the Board Meeting held on 2nd June, 2011.

b. MT Associates Trust

The MT Associates Trust (the "Associate Trust") is an independent irrevocable trust established by a trust deed dated 13th May, 2011 ("Trust Deed") for the benefit of certain persons associated with the Company through a subsisting valid contract of engagement for their services in their capacity as (i) faculty members across various coaching centers and courses, both full-time and part time; (ii) persons who structure and organize various courses offered by our Company; (iii) persons who manage various coaching centers and/or (iv) provide administrative assistance in relation to the business of our Company (the "Trust Beneficiaries").



Pursuant to the Board and Shareholders' resolutions dated 8th April, 2011 and 13th April, 2011, respectively and the Trust Deed, the Company has on 2nd June, 2011 allotted 680,966 Equity Shares at a consideration of ₹ 10 per Equity Share to the Associate Trust ("Trust Shares"). The Trust Shares shall be held by the Associate Trust, in the name of the Trustee, in trust for and on behalf of the Trust Beneficiaries.

c. Acquisitions

The Company was holding 18% of the paid-up share capital of MT Education Services Private Limited (MTESPL). It has subsequently, on 7th April, 2011 acquired the balance 82% shares from its existing shareholders, thereby making MTESPL, a 100% subsidiary of the Company.

d. Land

The Company has entered into a Memorandum of Understanding dated 14th May, 2011, for purchase of property situated at Mangalore, for an aggregate consideration of ₹ 87,000,000, of which the Company has paid a sum of ₹ 10,000,000.

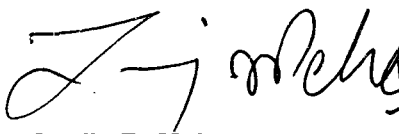
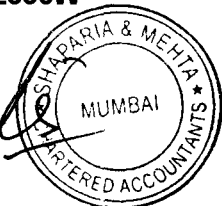
e. Conversion to Limited Company

The Company changed its name from MT Educare Private Limited to MT Educare Limited upon its conversion into a public company and pursuant to the receipt of fresh certificate of incorporation dated 18th May, 2011

Disclosure of additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956.

Sr. No	Particulars	Amount
(i)	Turnover	Nil
(ii)	Stock of Goods	Nil
(iii)	Value of Imports on C.I.F.value	Nil
(iv)	Expenditure in Foreign Currency	Nil
(v)	Import of Finished Goods	Nil
(vi)	Expenditure in Foreign Currency during the Financial Year on account of Royalty, Know-how, Professional & Consultancy, Fees, Interest and other Matters.	Nil
(vii)	F.O.B.Value of Export Sales/Services (Arab Emirates Dirham)	1,052,758
(viii)	Amount remitted in Foreign Currency during the year on account of dividends	Nil

As per our report of even date
For Shaparia & Mehta
Chartered Accountants
Firm Registration No :.112350W

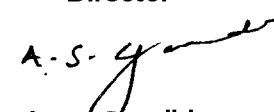
Sanjiv B. Mehta
Partner
Membership No. : 34950

Place : Mumbai
Dated : 19th August , 2011

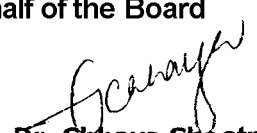
For and on behalf of the Board



Mahesh R. Shetty
Director



Anup Gandhi
Chief Financial Officer



Dr. Chhaya Shastri
Director



Ashwin M. Patel
Company Secretary

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

PARTICULARS	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010
	AMOUNT	AMOUNT	AMOUNT
I CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax and extraordinary items:		130,648,748	69,629,737
Adjustment for :			
Depreciation / Amortisation	83,023,159		78,727,928
Loss on sale/ relocation of assets / Amount written off	13,847,530		13,028,232
Diminution for current Investment	217,872		
Finance Expenses	1,180,748		2,073,544
Income from investments	(21,081,355)	77,187,953	(22,560,025)
Operating profit before working capital changes		207,836,701	140,899,416
Adjustment for :			
(Increase)/ Decrease in Sundry Debtors	(40,063,704)		6,590,337
(Increase)/ Decrease Loans and advances	(1,035,391)		57,528,647
Increase/ (Decrease) Current Liabilities	46,125,221	5,026,126	44,464,312
Cash generated from operations		212,862,827	249,482,712
Taxes paid (Net of refund)		(63,004,400)	(37,096,966)
Net cash from operating activities - (A)		149,858,427	212,385,746
II CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Assets- Net (Purchase)/Sale	(68,803,955)		(96,529,001)
Income from investments	19,947,301		21,452,025
Net (Purchase)/Sale of Investments	(59,291,929)	(108,148,583)	(99,486,343)
Net cash from investing activities - (B)		(108,148,583)	(174,563,319)
III CASH FLOW FROM FINANCING ACTIVITIES			
Financial Expenses	(1,180,748)		(2,073,544)
Borrowing/(Repayment) of Loan	45,000,000	43,819,252	(50,000,000)
Net cash from financing activities - (C)		43,819,252	(52,073,544)
IV NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)		85,529,096	(14,251,117)
Opening cash and cash equivalent as at 31.03.10		118,802,869	133,053,987
Closing cash and cash equivalent as at 31.03.11		204,331,965	118,802,869
Increase in Cash Balance		85,529,096	(14,251,117)

NOTE:

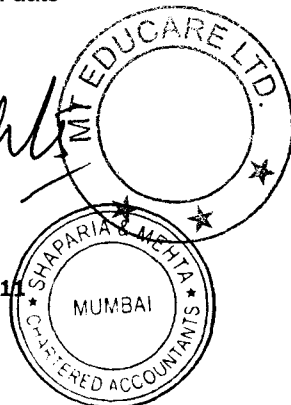
1. The above statements have been prepared by the indirect method, except in case of interest, dividend and purchase of investments, which have been considered on the basis of actual movement of cash.
2. Cash and cash equivalent represents cash, bank balances and fixed deposits

As per our report of even date

For Shaparia & Mehta
Chartered Accountants
Firm Reg No. : 112350W

Sanjiv B. Mehta
Partner /
Membership No. : 34950

Place : Mumbai
Dated : 19th August, 2011



For and on behalf of the Board

Mahesh R. Shetty
Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin M. Patel
Company Secretary

Balance Sheet Extract and Company's General Business Profile as per Schedule VI Part - (IV) of the Companies Act 1956.

BALANCE SHEET AS ON 31ST MARCH, 2011

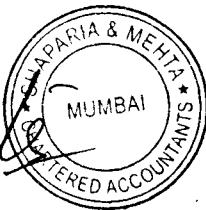
I <u>Registration Details</u>		
Registration No.		163888
State Code		11
Balance Sheet Date		31st March, 2011
II <u>Capital Raised During the Year (Amount Rs.)</u>		
Public Issue		NIL
Right Issue		NIL
Bouns Issue		333,100,800
Private Placement(From Promotors)		NIL
III <u>Position of Mobilisation and Deployment of Funds.</u>		
Total Liability		1,119,568,607
Total Asset		1,119,568,607
<u>Source of Funds</u>		
Paid-up Capital		343,510,200
Reserve & Surplus		133,994,244
Secured Loans		45,000,000
Unsecured Loan		-
<u>Application of Funds</u>		
Net Fixed Assets		332,064,381
Investment		248,350,430
Net Current Asset		(89,178,469)
Mics. Expenditure		-
IV <u>Performance of the Company (Amount In Thousand)</u>		
Total Income		1,073,485
Total Expenditure		942,836
Profit/(Loss) before tax		130,649
Profit/(Loss) after tax		82,580
Earning per Share (Rs.)		2.40
Dividend Rate (%)		4%
V <u>Generic names of three principal products of the Company fas per monetary term)</u>		
Not Applicable		

As per our report of even date
For Shaparia & Mehta
Chartered Accountants
Firm Reg No. : 112350W

Sanjiv a. Mehta
Sanjiv a. Mehta
Partner

Membership No. : 34950

Place : Mumbai
Dated : 19th August, 2011



For and on behalf of the Board

Mahesh R. Shetty
Mahesh R. Shetty
Director

Dr. Chhaya Shastri
Dr. Chhaya Shastri
Director

A-S-Gardhi
Anup Gardhi
Chief Financial Officer

Ashwin M. Patel
Ashwin M. Patel
Company Secretary

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