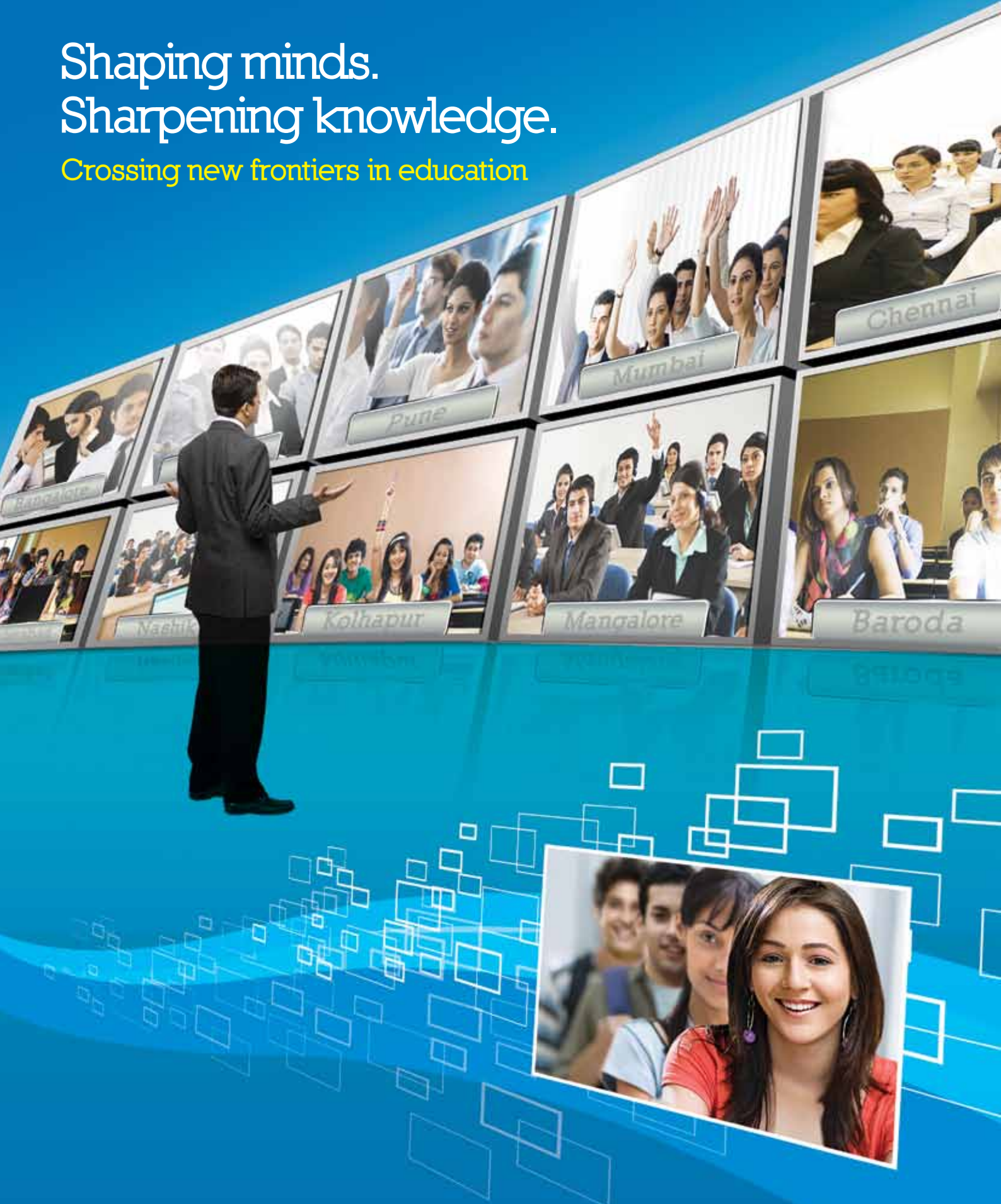


Shaping minds.
Sharpening knowledge.
Crossing new frontiers in education



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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Education is a crucial pre-requisite and an important pathway towards effective nation-building. It is a powerful equaliser which goes about creating an enlightened society, strengthens the nation and propels them towards a progressive economy.

At MT Educare, we align ourselves with India's economic agenda of building a knowledge-driven economy. We endeavour to create a 'Knowledgeable India' by igniting the untapped potential in the education sector, nurturing young minds and deepening students' insights. We strive to scoot aside the age-old 'chalk and talk' methodology through our advanced teaching techniques. We aspire to create a pool of quality teachers and also touch every student's life.

Empowering India's socially and economically progressive middle class through quality education continues to be our commitment. Sustained economic growth, increasing consumption and rising demand for supplementary and tech-aided education is what eggs us further on this terrain. The need for quality education makes unlocking the power of private capital in education infrastructure a moral imperative.

Our vision, at MT Educare, continues to be to usher in a paradigm shift in the way education is imparted in India. Our motto remains to emerge as a holistic education solutions provider with a keen focus on result-oriented approach.

Empowerment through education

MT Educare – the corporate entity that owns Mahesh Tutorials brand – is a new-age education Company which aims to bring about a paradigm shift in the way education happens. We reiterate our commitment to nurture young minds and deepen their thoughts and insights. We strive to provide supplementary education to India's youth population and mentor them through qualified faculty, result-oriented approach and advanced teaching methodologies.

We aim to go beyond education. Our motto is to emerge as a holistic education solutions provider and build a strong foundation for education. Our endeavour is to empower education through a pool of quality teachers and touch the lives of as many students as possible. Moving ahead, MT Educare aims to establish itself as one of the leading institutions in the country offering quality supplementary education.



Corporate vision

GREAT - Global Reach In Education And Training

1988

Maresh Tutorials started operations with one branch in Mumbai

188

Coaching centres (19 centres are operated through franchisee model)

110

Locations covered across Maharashtra, Gujarat, Tamil Nadu and Karnataka

1,700+

Faculty and staff members

Core offerings

School

Tutorial for IXth and Xth standard students of:

- State board examinations conducted by State Education Boards of Maharashtra, Gujarat and Karnataka.
- Board examinations conducted by the CBSE.
- Board examinations conducted by the ICSE.

Science

Tutorial for

- XIth and XIIth standard science students of Maharashtra and Karnataka State Boards.
- Engineering and Medical Entrance Examinations.

Commerce

Tutorial for students of:

- XIth and XIIth standard in Commerce and Common Proficiency Test (CPT) conducted by Institute of Chartered Accountants of India (ICAI).
- Chartered Accountancy - Integrated Professional Competence (IPCC) and Chartered Accountancy Final examinations conducted by ICAI.
- Examinations conducted by Institute of Company Secretaries of India (ICSI).
- Coaching for under-graduate curriculum for Bachelor's degree in Commerce and Management through University, Vocational and Affiliated (UVA).

Other offerings

Tutorial to students of Standard VIII

Provides online coaching services to students of Standard VIII. Coaching is provided primarily through the Internet, with two-way interaction.

Management entrance

Provides preparatory tutorial for various management entrance examinations such as Common Aptitude Test (CAT) and Graduate Management Aptitude Test (GMAT), among others through its subsidiary, Chitale's Personalised Learning Private Limited.

CFP examinations

Provides coaching services for CFP examinations conducted by the Financial Planning Standards Board India.

Government projects

Provides vocational training, grade enhancement programmes and teacher training with certain entities associated with the Government of India and the State Government.

Management consultancy

Provides consultancy services on structuring of pre-university college (PUC) courses/curriculum and classes, assistance and consultancy services on recruitment of teachers, teacher training, providing techniques based on usage of technology, management of tests/examinations, advising on and assisting in marketing activities and other administrative and Information Technology-related services.

Pre-School

Provides pre-school and day care facilities under the brand 'Global Champs'.

Classroom based coaching in North India

Provides classroom based (non-digital) coaching services under the brand 'Study Mate - powered by MT Educare' for secondary and higher secondary students appearing for CBSE Examinations through HT Learning Centres Ltd, a joint venture between MT Education Services Pvt. Ltd., our wholly owned subsidiary and HT Education Ltd.

Brand umbrella

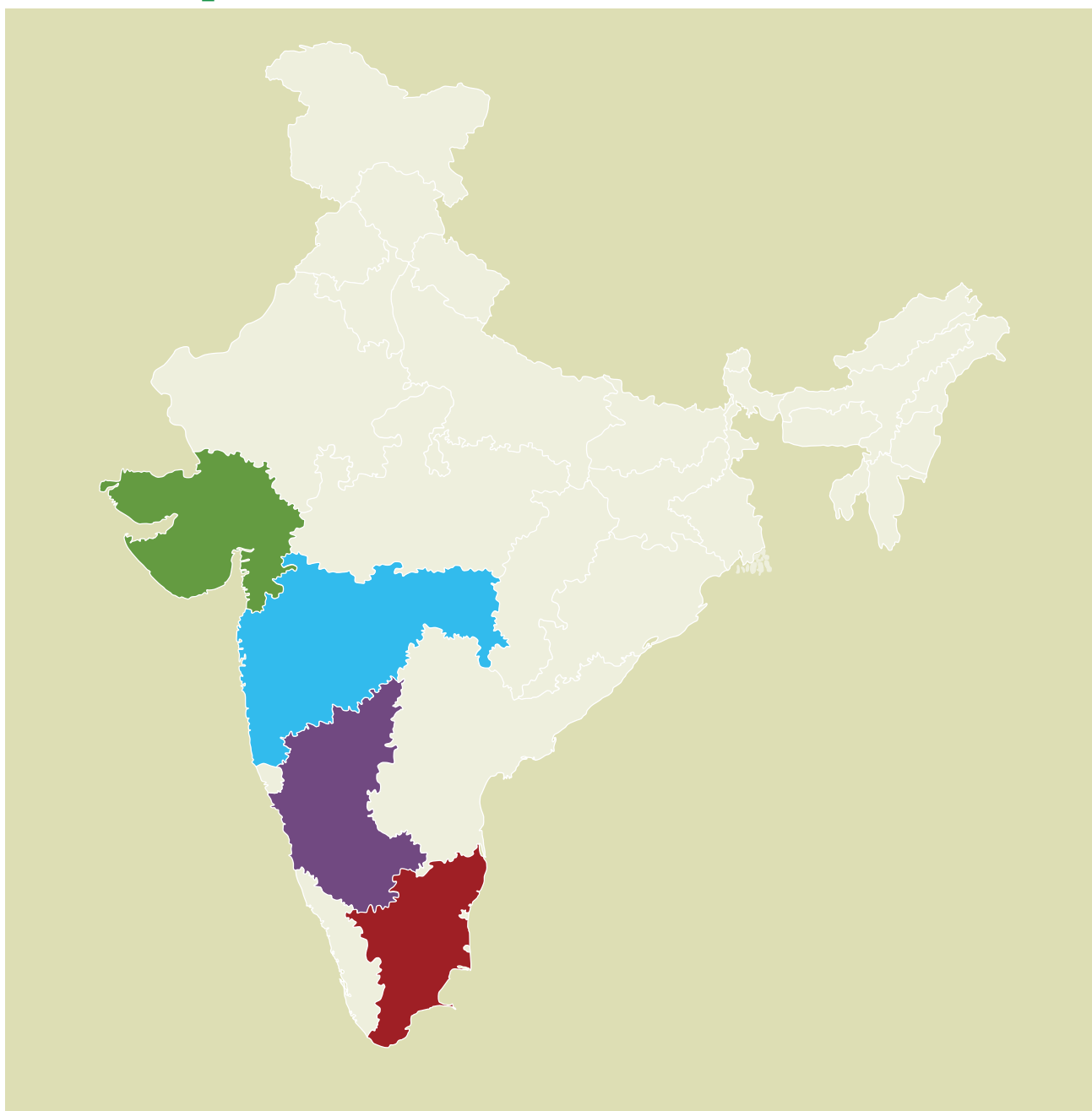
MAHESH TUTORIALS
SCHOOL SECTION
THE ACADEMIC PARENTS OF YOUR CHILD!

MAHESH TUTORIALS
SCIENCE
Don't just learn... UNDERSTAND!

MAHESH TUTORIALS
COMMERCE
Discover the new DIMENSION of Commerce

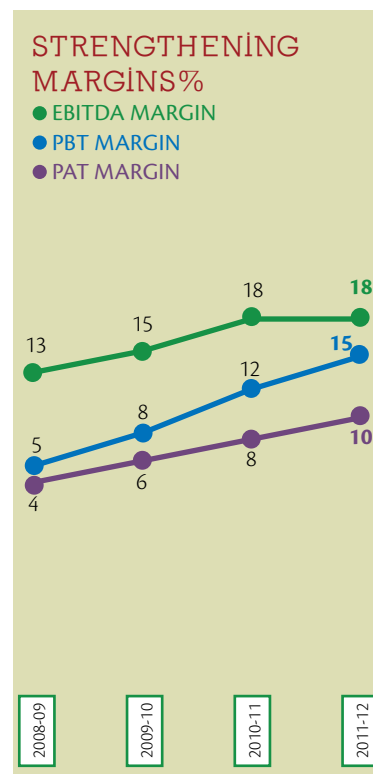
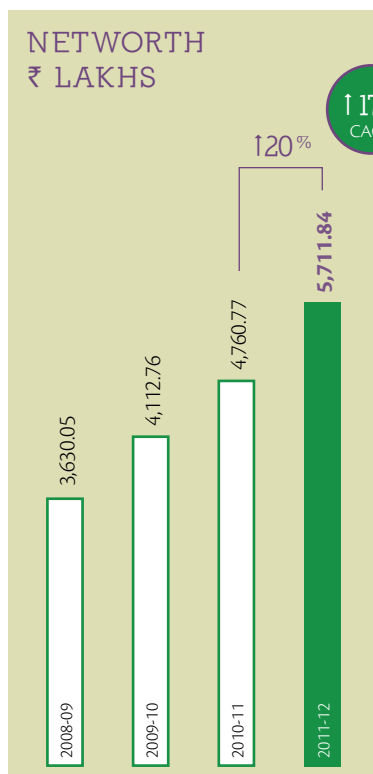
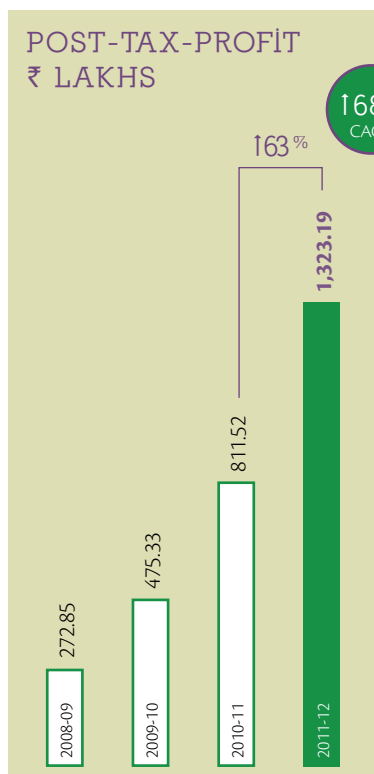
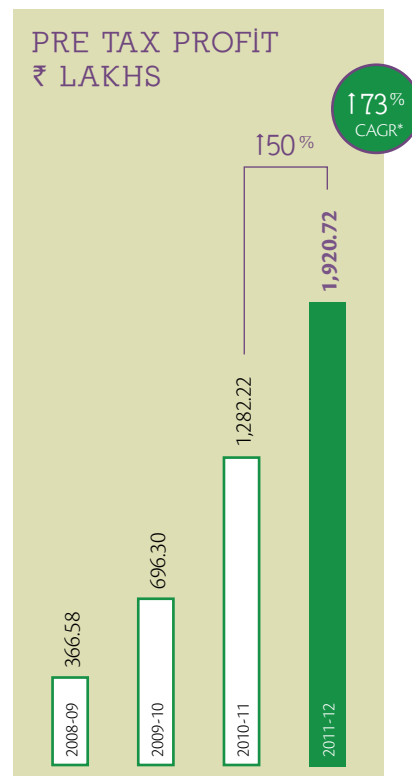
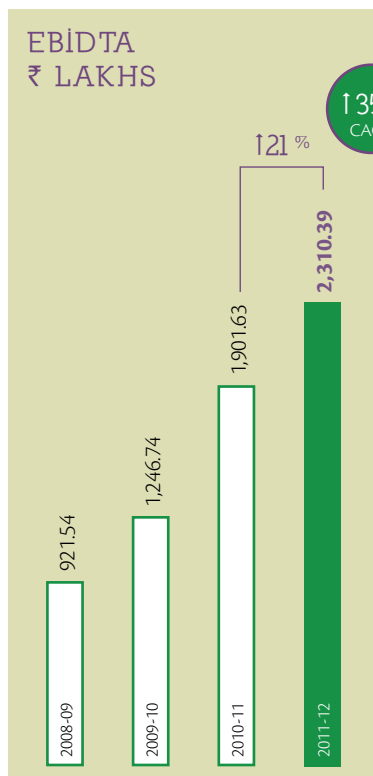
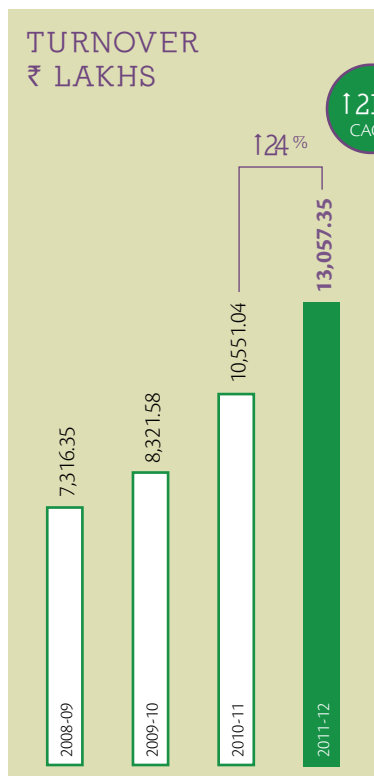


India presence

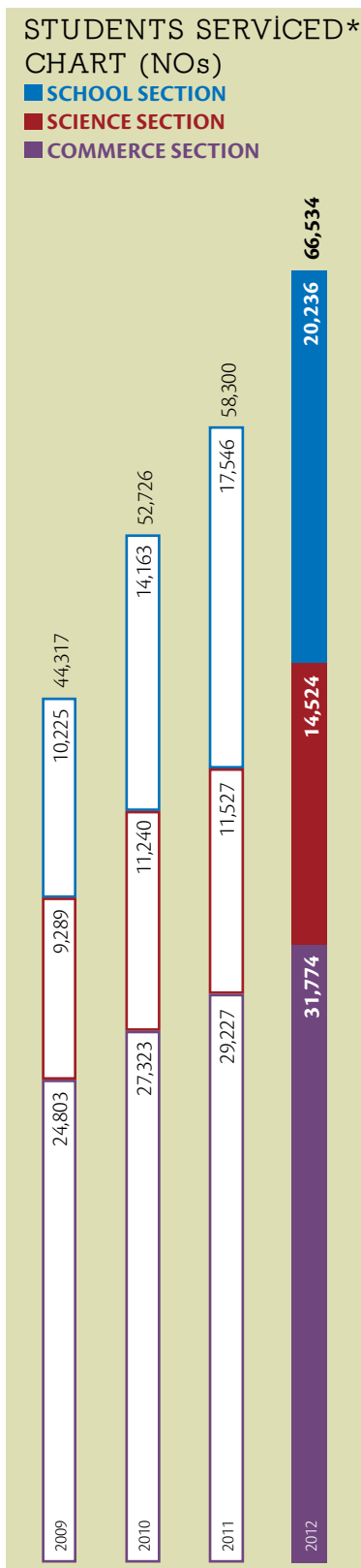


Maharashtra	Gujarat	Tamil Nadu	Karnataka
170	5	3	10
coaching centres	coaching centres	coaching centres	coaching centres
99	3	3	5
coaching locations (Out of which 19 centres and 8 locations are franchisee)	coaching locations	coaching locations	coaching locations

Creditable performance



* 4-year CAGR



Our journey so far....

1988

Opened first branch in Mumbai

2001

Introduced science coaching for classes XIth and XIIth

2003

Introduced commerce coaching for classes XIth and XIIth

2006

Introduced coaching for Chartered Accountancy

2007

Helix Investments infused funds by subscribing to 3,28,00,059 compulsorily convertible preference shares of ₹328 million (~US\$ 8 million);

Centres opened in Karnataka

2008

Centres opened in Gujarat and Tamil Nadu;

Acquisition of Scholar's Learning Centre

2009

Amalgamation of Mahesh Tutorials Pvt. Ltd, Mahesh Tutorials Commerce Pvt. Ltd and Mahesh Tutorials Science Pvt. Ltd into MT Educare;

Launch of technology-aided teaching methodologies

2011

Acquisition of 51% stake in Chitale's Personalised Learning Private Ltd.

2012

Launched IPO to fund expansion plans

* **Student Serviced:** The number of students from whom revenue has been recognised, in whole or part, based on the distinct Courses availed by them during the relevant Fiscal, in the Coaching Centres operated by the Company.

*It does not include Student Serviced in CPLC, Global Champs, Study Mate and Franchisee Centres.

Over to the Chairman



Dear Shareholders,

It gives me great pleasure in welcoming you to our Company's first Annual General Meeting since listing. The year 2011-12 has been a defining period for MT Educare and, in many ways, a trendsetter for the years ahead.

We, at MT Educare, feel extremely privileged to connect with our shareholders once again, following the over-whelming response we received to our maiden IPO in March 2012.

The Company made the smooth transition into the avatar of a listed company and reiterated its commitment towards creating and enhancing shareholder wealth. We present ourselves as a new-age education Company engaged in supplemental education and striving to deliver higher and higher levels of excellence. A Company that aims to bring about a paradigm shift in the way education is delivered. A Company that is well prepared to take on the mantle of supporting the over-loaded education system in India – through supplementary education services.

The opportunity before us is unparalleled – a country of 1.21 billion individuals (Census 2011) and a burgeoning middle class that believes in the mantra of meritocracy. Our population is young and we house the world's second-largest workforce. Our youth see the benefit of robust education and believe that through education they will see social upliftment and self-actualisation. The education opportunity in India is growing very rapidly and we, at MT Educare, believe our future lies within its fast expanding boundaries.

What drives us further is the fact that 4% of India's GDP (Source: UNDP) and 14% of the total government expenditure (Source: RBI, Public Finances in India) is targeted towards education. Besides, India's sustained economic growth is making sure there is rising demand

for quality supplementary education. Factors such as rising disposable incomes, increasing education spend and infrastructural bottlenecks in India's education system have been driving the market towards focused and task specific supplemental education. The swelling numbers of aspirants for careers in medicine, engineering, management and Chartered Accountancy are growing rapidly each year in today's competitive education environment.

With over 55% of India under the age of 24, we have one of the largest student population in the world. Most successive governments have acknowledged this challenge and have placed education as a priority. The development and implementation of policy changes, the building of a sustainable and future-focused education infrastructure and the rationalisation of opportunity for students across the country are monumental challenges even for governments to accomplish in a limited timeframe. This is where the private sector steps in to fill the widening gap.

At MT Educare, we believe this need for future-focused education built on the twin pillars of technology and excellence are the key to implementing sustainable education solutions.

We are proud to be one of the few helping unlock the power of private capital in India's education infrastructure. By doing this, we are providing an opportunity for our investors to participate in the business of education on one hand, and building the much-needed education infrastructure, on the other.

MT Educare has been shaping up supplementary education to take on the challenges faced by the education sector in the 21st century. Our product portfolio has

been aligned in response to the changing trends in education. Our new-age solutions are designed to change the way learning should be imparted. Our product portfolio caters to students from diverse backgrounds, thus expanding its reach.

The world is slowly recognising the power of digital content to transform education and make it more result-oriented and all pervasive. Our vast library of digitised content enhances delivery and effectiveness. With this, our focus is to constantly improve the communication between students and teachers and make them manage their time better.

Our key strength lies in our ability to enable transformational growth across the entire educational value chain – IX, X, XI, XII, graduation and professional courses. Our alumni stand testimony to the power of educational change we've been bringing about in this country on a sustained basis.

MT Educare possesses an ever-expanding bank of qualified and experienced faculty members that contribute to the Company's emerging core business. Our ethos: to create a pool of friendly and approachable teachers and to build and enhance the sacred equation between the student and the imparters of knowledge. And our biggest motivator will always be students who unequivocally state they look forward to learning from us.

No doubt, our work is winning us accolades. But more importantly, it is bringing a smile on the faces of our teachers. We proudly assert our efforts are gradually making teaching a preferred choice of profession, which is both rewarding and fulfilling.

As we continue moving ahead in this journey, it is crucial that the Company keeps making the right investments in creating content,

frameworks, technology and processes to capitalise on a new world of learning. Moving forward, we strive to compete in an increasingly competitive and complex education environment.

Driving efficiency across all the verticals will be an integral part of the positioning of the Company. Efficiency will also mean consolidating the existing products to deliver enhanced value to the end-users and stakeholders.

We will be open to new opportunities to take advantage of the new niches that appear in this evolving market. We will continue to identify new markets and create new products and services.

MT Educare is at the forefront of the transformation taking place in education, having built the systems, content and capabilities. We remain committed to emerge as a holistic education solutions provider and help build a 'knowledge-driven' India. We remain poised, with our vision, to empower teachers, make learning a great experience for students and touch the lives of each student.

We reiterate our commitment to provide supplementary education to today's youth and mentor them through qualified faculty and advanced teaching methodologies. As an institution, we aim to go beyond education by offering holistic development to our students to enable them to succeed in academics and in life.

We thank you, whole-heartedly, for your unflinching support to the Company which has made this possible.

Thanking You
Mahesh Shetty

Our staff and faculty, our asset

The staff and faculty is one of the most important assets of MT Educare. We have created a pool of over 1,700 highly experienced staff and faculty, which essentially drives the MT Educare brand...

Faculty selection process

We recruit faculty members through campus recruitment from select premier colleges. Our ex-students who wish to associate with us are also encouraged to join the system. We also attract faculty members through advertisements and other networking activities. Teacher recruitment involves multi-level scrutiny, as follows:

- Personal interviews by subject heads and human resource department
- Demo-lectures evaluated by faculty members
- Training workshops followed by another round of demo lectures, implementing the methodology taught at the workshop

At MT Educare, it is imperative for each faculty member to clear various scrutiny levels and attend the training workshop. The workshop includes training on teaching methodologies and other important skill sets. Upon successful completion of the workshop, they join the large pool of MT Educare's faculty.

Empowering faculty members

MT Educare's 'Faculty Empowerment' model empowers faculty members by providing continuous training programmes to maintain teaching quality. Refresher guidance programmes on teaching subjects, personality development and attitude development courses form a part of this. Soft skills are also imparted to the faculty, which includes presentation and communication skills, leadership skills and time management.

The sessions are aimed towards equipping faculty members to adapt to the changing environment. Training sessions enable maintaining quality across the faculty. We also provide Career Progression plans and Employee Stock Options to our teachers. Due to these efforts, teaching is slowly emerging as a profession of choice and a lucrative job opportunity. The empowerment programme has been an unqualified success and is gradually changing the society's mind-set.

Aakar - Centre of Excellence

Training of faculty members is undertaken through a specialised cell called 'Aakar - Centre of Excellence'. Faculty members are trained thoroughly in teaching methodologies, content development, class-room delivery and evaluation methods.

Aakar works with deliverables like comprehensive teaching material, and also designs test series and assessments to map individual performance of students. This aims to identify the areas of improvement for remedial and intensive coaching. The evaluation process involves working with learning management systems. These systems reflect the effectiveness of study skills and techniques taught in the classroom. Subject matter experts and guest lecturers continuously add to new dimensions of learning and perspectives followed at Aakar.

Team MT Educare

Board of Directors



Mr. Mahesh Shetty



Mr. David Danziger



Mr. Naarayanan Iyer



Dr. Chhaya Shastri



Mr. Cyrus Driver



Mr. Uday Lajmi



Mr. Yatin Samant



Ms. Drushti Desai

About MT Educare

Key Management Personnel



CA Anish Thakkar



Mr. Chandresh Fooria



Mr. Sujit Koyoot



Mr. Murali H. Subramanian



Mr. Shrenik Kotecha



Mr. Vipul Shah



Mr. Mahtab Khan



Mr. Anup Gandhi



Mr. Ashwin M. Patel

Statutory Reports

Financial Statements

Sharing resources, assimilating insights

Evolving new revenue models strengthen our resolve to emerge as a holistic education solutions provider.

Unlike other states which spend nearly 33% of their total GDP on education, the education spend in Karnataka is as high as 50%.

Today, Karnataka has emerged as a prime tutorial market and a hub for medical and engineering preparatory examinations in India. MT Educare, thus, had Karnataka on its radar when it first decided to expand beyond Maharashtra. MT Educare raised ₹99 crore through its Initial Public Offer (IPO) in March 2012, consisting of an Offer for Sale of ₹64 crore and a Fresh Issue of ₹35 crore. Of the ₹35 crore raised through its IPO, an amount of ₹20 crore is being utilised towards its business venture in Karnataka.

The IPO funds will be utilised towards setting up of a Pre-University College (PUC) Campus at Mangalore, Karnataka. MT Educare has acquired the land and commenced the construction of the PUC Campus. With a capacity of 2,600+ students, the Campus has been leased to MT Educare Charitable Trust for the purpose of operating Mahesh PU College. The Trust is affiliated to the Department of Pre-University Education, Government of Karnataka. Besides earning rentals from the leased campus, the model allows MT Educare to earn from two key areas:

Coaching fees for engineering and medical test preparatory courses imparted to students of this college; and, management consultancy contract entered into with MT Educare

Charitable Trust. In the latter case, MT Educare is providing support services to MT Educare Charitable Trust to ensure smooth functioning and efficient management and administration of Mahesh PU College.

The model has been implemented with the main objective of inculcating test preparatory coaching in the college premises and providing students the right environment to achieve excellence.

Similar tie-ups have been entered into with four other colleges in Bangalore, Udupi, Hubli and Tumkur, where medical and engineering test preparatory coaching is provided by MT Educare. The tie-ups in Hubli and Tumkur have been entered into post completion of Fiscal Year 2011-12. And in each of these towns, the number of students enrolled with the colleges, and subsequently, with MT Educare for test preparatory coaching, has been rising rapidly. The Company hopes to soon enter into management consultancy contracts with each of these colleges. These tie-ups are backed by an asset-light model, requiring minimal investment on infrastructure as the colleges are already in existence.

The Company has firm plans to expand this model and strike a total of 50 such tie-ups with different colleges in the next decade. Going forward, we hope, this will turn out to be a substantial contributor to our revenue stream.

Management consultancy services provided

- Structuring of courses/curriculum and classes
- Assistance on teacher recruitment
- Teacher training
- Providing techniques on technology usage
- Management of tests and examinations
- Assistance in marketing activities
- Advice on administrative and information technology-related services

Beyond conventional classrooms

At MT Educare, **tech-savvy learning models and advanced teaching methodologies** have become the new norms to nurture young minds.



Technology Aided Teaching (TAT)

Technology is making huge inroads in the education sector and completely transforming the way education happens. Technology is helping us extend beyond linear and text-based learning. Our strong belief is that technology-aided teaching (TAT) is the best way to teach young students and to ensure their attention levels remain high during lectures.

Digitalised content

Our centres have evolved from simple coaching classes into versatile learning tools. We have adopted interactive teaching methods and digitised classrooms. Our experiential learning methods help complex concepts become easily comprehensible. Our content is our main forte and this is being monetised and made available in the digital format. Some of our products are supported by Internet-based learning models with limited classroom interaction.

Interactive Networked Knowledge (INK)

We plan to increase the outreach of Test Preps for Science and CA coaching. This will be undertaken by installing video conferencing (VC) facilities at the existing infrastructure. The system enables connecting simultaneously with a vast audience over different locations, saving on time and costs. Currently, coaching services based on Internet VC are provided in limited locations. We propose to expand the number of locations where Test Preps for Science and CA coaching will be provided. We also plan to offer Internet-based coaching in other domains and segments.

Smart teaching... the way to be.

Advanced teaching methodologies and techniques are slowly redefining the teaching arena and changing the way education is imparted.



Conceptual teaching

MT Educare's qualified faculty shapes students for advanced and active learning methodologies. Our methodical approach towards coaching ensures students are taken through the syllabus with ease. Subjects are made as interesting as possible through interactive teaching. In addition to this, extensive tests and assessments prepare students to their optimum capacity for these examinations.

Remedial and Intensive coaching for class X

The Special Remedial and Intensive Coaching is a child-centric approach with customised solutions. It motivates students to perform to the best of their abilities and work on focused learning areas mapped on the basis of their performance in periodical tests. This method of teaching enhances group-based studies and inculcates a competitive spirit within students.

Parent and student counselling

The success of a student primarily depends on finding a balanced equation between the Institute, self study and the family. To facilitate this, we emphasise on counselling for parents as well as students. We realise this is important to ensure an open communication between parents and the Institute. Counselling is also provided to ensure parents are fully aware of students' requirements. These counselling sessions double up as stress-busters for parents and students.

Personalised attention

Our qualified teachers reach out to each student individually and aim to create a home-like ambience within the class. Personalised learning is, thus, adhered to and attention is paid to each student's needs. Teachers assist students in their day-to-day academics and go about their teaching in a very simple manner till the concept is fully grasped by the student.

Interactive teaching

We believe in interactive teaching methods which prove effective in connecting with students and providing consistent stimulation. Our interactive teaching techniques are aimed towards energising students and engaging them in thought-based learning.

Study material and test series

Relevant courseware is provided to students which covers the entire exam syllabus. Question papers are set in accordance with the paper pattern and weightage of various chapters. The answer papers are assessed by an experienced set of correctors.

Comfortable study environment

Students are provided with a comfortable study environment to maximise learning efficiency. A good learning ambience ensures complete motivation on the part of students and serves as a catalyst for productive effort. Large, well-lit air-conditioned rooms provide an environment that facilitates effective learning.

Feedback and suggestions

We believe the most important factor for sustainable growth is constant feedback from parents and students. We encourage them to have an open communication with our top management.

Assistant teachers

A large pool of Assistant Teachers are available in our system; they facilitate and handhold the weak students to ensure effective learning. Through personalised attention, these Assistant Teachers help in bringing the students up to the mark with other students.

Reaching out

Exploring new geographies and markets is the new mantra to tap diverse frontiers and aim towards focussed and holistic growth.

MT Educare is fully committed towards expanding into newer geographies and diverse market segments. We plan to move beyond the local markets by way of acquiring companies or partnering with them to attain the higher growth path. We believe in the power of organic and inorganic growth to increase our revenues and enhance profitability.

Management coaching

During 2011-12, we acquired 51% stake in Chitale's Personalised Learning Private Limited (CPLPL). Operating in 5 centres in Mumbai, the entity is engaged in coaching MBA aspirants for management entrance examination. We believe CPLPL's expertise in business and its scale of operations will help us derive synergies. As per the agreement, we will acquire the remaining 49% stake in this by the end of Fiscal Year 2014-15.

Global approach

We aim to explore rising opportunities in this business beyond India. We are keen to expand into the international markets. Through our consultancy services arm, MT Management Solutions, we currently provide management consultancy services to a Dubai-based coaching centre. The arrangement comprises providing coaching and administrative support to the Centre. Coaching for secondary and higher-secondary school curriculum of various education boards is provided at the Centre.

Strengthening branch network

We plan to further expand our footprint in western India by strengthening our branch and center network. We have firmed up plans to open 20 new coaching locations mainly across Mumbai and Pune over the next two years. Besides focusing on expanding our network within Maharashtra, we are aiming to spread our wings in other states as well.

Entering small towns

MT Educare remains committed and keen to expand its services in the smaller towns of Maharashtra. It plans to expand its footprint in smaller cities, such as Pune, Nasik, Aurangabad and others. We strongly believe the level of opportunity in these towns is phenomenally high. In some cities such as Pune, opportunities are comparable with that in Mumbai, which is considered to be Maharashtra's educational hub. The Mahesh Tutorials brand is well established in these cities, and hence, spreading our wings here will be a natural progression.

Tie-up with Annamalai University

We have entered into a Memorandum of Understanding (MoU) with the Annamalai University in Tamil Nadu. The tie-up is aimed towards offering coaching services in courses offered by the University. This will be achieved by conducting classroom coaching sessions at the University and providing relevant study material.

Launch of CS tutorial

We offer coaching services for Company Secretary Examination, besides Chartered Accountancy. This examination is conducted by the Institute of Company Secretaries in India (ICSI). The coaching services are being rendered in connection with the foundation examinations conducted by ICSI.

Enabling holistic development

The ethos of supplemental coaching is to ensure students' all-round development and improve their overall performance.

MT Educare is a learning and development focused Company. Being an education provider, it also focuses on the students' holistic development. Its teaching methodologies are aimed towards keeping students inspired and motivated by inculcating a competitive spirit. It plans to make learning fun and easy to ensure students perform to the best of their abilities.



Career guidance and counselling

Choosing the right career is often one of the most difficult decisions for a student. MT Educare understands their dilemma and conducts seminars and exhibitions for their students every year. This is aimed towards making the students and their parents aware of various career opportunities.

Symphony

Special programmes are designed for students beyond academic teaching. This includes a mix of music, yoga and correct diet for their well being. These programmes endeavour to make students reduce their stress levels, enhance their memory and improve communication skills.

Hum Se Puchho (24-hour helpline)

MT Educare provides a 24-hour examination helpline to students in Xth and XIIth standards. This is a 'free for all' service aimed towards students within and outside the MT Educare umbrella. The service seeks to solve doubts and queries raised by students up to

24-hours prior to their examination. The service facilitates students to call on the exam helpline, connect with the online experienced faculty and get their queries resolved instantaneously.

Counselling sessions

Counselling sessions are conducted by MT Educare's faculty for students and their parents. These sessions seek to facilitate an open communication between the faculty members, students and parents. The faculty and parents work together towards fulfilling students' requirements and improving performance.

Being responsible

CSR is an integral part of the Company's ethos. Besides empowering India in terms of education, MT Educare contributes towards the society's betterment by conducting outreach programs. We fulfill our social responsibilities by working with the challenged sections of our society.



MT Educare adopts under-privileged students and empowers them. Corporate Social Responsibility activities at MT Educare include career guidance seminars, grade improvement programmes in Government-aided schools and medical help, in addition to partnering with few NGOs to create a difference in the society.



India economy

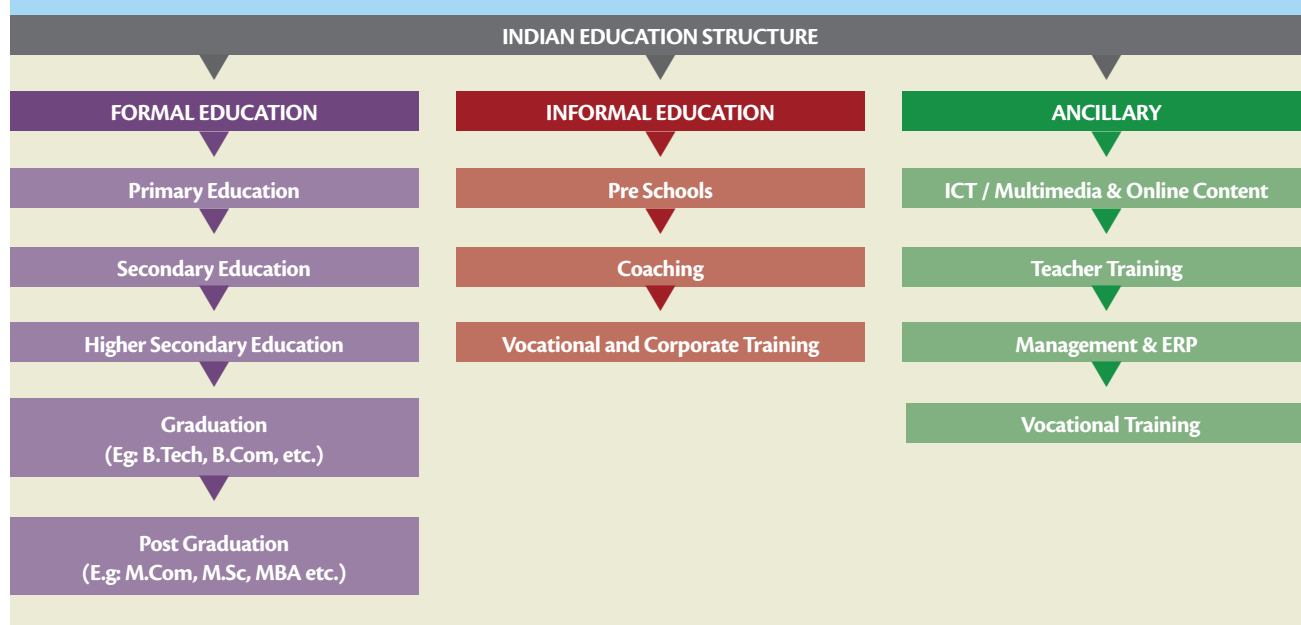


India is one of the fastest-growing economies among the world's emerging nations. Its economy grew 7.37% CAGR during 2000-2012, touching an all-time high of 11.8% during 2003. India has overtaken Japan to become the third-largest economy in terms of purchasing power parity, next only to United States and China. Data released by the International Monetary Fund (IMF) said India's Gross Domestic Product (GDP) in PPP terms stood at US\$ 4.46 trillion in 2011, marginally higher than that of Japan at US\$ 4.44 trillion.

Though temporary blips appear in economic growth, there's little doubt India contains enormous potential to emerge stronger in the medium to long-term. What strengthens this belief is an increasing demand for services and rising consumption. Temporary falls in growth rate fail to dent the key determinants of long-term growth. India's rural consumption spend has risen 65% in the last five years. Rising consumption leaves more money in the consumers' hands and acts as a catalyst in economic growth.

India education sector

India's education sector can be broadly classified into three categories: formal; informal; and vocational or ancillary education.



Budget allocation for education

The Indian government spends more than 14% of its total expenditure on education. During Union Budget 2012-13, the Finance Minister Pranab Mukherjee announced plans to spend ₹61,472 crore to strengthen school education. The projected spend is 18% higher than last year's allocation of ₹52,000 crore. (Source: Finance Minister's Union Budget 2012-13 speech).

India spends 3.85% of its annual GDP on education vis-à-vis the developed countries which spend upwards of 10% of their GDP on education.

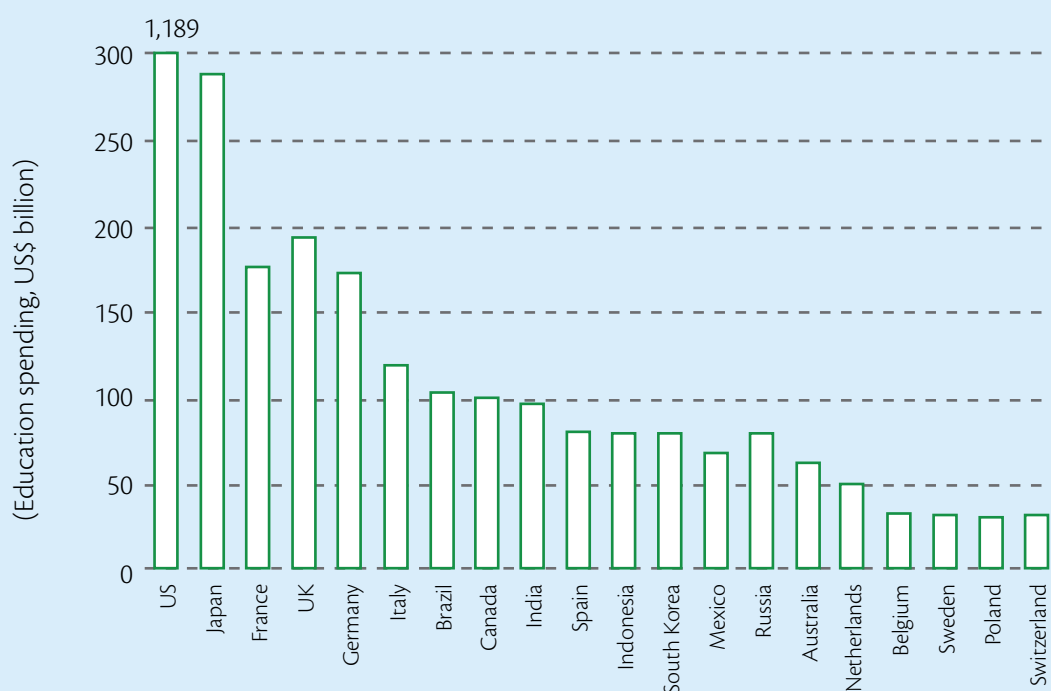
Vast opportunity

The opportunity presenting itself before India's education sector is immense in potential and depth. India is a country of 1.21 billion people with a socially and

economically progressive middle class. Education is one of the largest sectors of the Indian economy. And the nation's prime focus today is the 13-million student population.

Education is estimated to be a US\$ 120 billion business opportunity in India. The country's sustained economic growth ensures there's enough and rising demand for quality education. With India's GDP rising and rural market customers moving up the value chain, consumption is seen rising, which will further push up India's spend on education. The education sector is growing by leaps and bounds. To give an estimate of how big the market is: Maharashtra alone has nearly 15 lakh students (9 lakh vernacular medium; 6 lakh English medium) appearing for Xth standard examination every year. Another almost 2.5 lakh students appear for XIIth standard science examination every year.

India among the Top 10 markets by education spend



[Source: World Bank and Anand Rathi Research]

India's education sector: some key facts

- Annual education spend (US\$ 100 billion) by Indian government and households is larger than that of the US at comparable prices.
- Revenue growth from education is one of the fastest worldwide. Since 2000, education spend has grown at a median rate of 15% per year.
- India's education sector is among the world's top 10 in value terms.
- Cost of educational services is one of the lowest in the world – less than one-sixth of the global average.
- Estimated CAGR of private revenue at 19% during 2011-15 is also one of the fastest in the world.
- Addressable market for private investment in education is ~ US\$ 30 billion. This is

growing at an annual rate of 17% and is likely to accelerate to 19% during 2012-15
(Source: Anand Rathi Research)

Challenges

India's Human Resource & Development Minister Kapil Sibal stated in a recent speech that India faces a shortage of nearly 1.2 million teachers. There is a general lack of good quality teachers to impart the service. India also lacks quality training institutions to impart effective training to the teachers.

Teaching being not a highly paid job opportunity, it is not a preferred choice for profession across the country. The bridge between access and entitlement of education demands the attention of good quality teachers. There is a need to make the profession of teaching attractive by providing incentives such as insurance, housing, healthcare facilities, etc.

Coaching industry

India's coaching industry has evolved and come a long way. From lessons being imparted in a small room, the industry has evolved to having a number of organised players imparting supplementary teaching. Education is not only imparted to a large pool of students simultaneously, but is done using sophisticated technology and classrooms.

The coaching industry's current size is estimated to be around US\$ 4.5 billion, growing at a CAGR of 20% and seen rising to US\$ 8 billion by 2015. Integrated classroom coaching currently accounts for over 80% of the industry segment.

(Source: Anand Rathi Research)

Four types of coaching methodologies:

- Integrated classroom programs
- Technology-aided (virtual class)
- Portal-based learning
- Distance learning

Emerging trends

Need for quality supplemental education

India is marching on the path to be known as a 'knowledge-driven' economy. However, lack of quality institutes, competitive environment, ever-changing curriculum and engagement of both the parents to improve their family's quality of life has brought forth the need for supplemental education. The entire ethos of supplemental or informal education is to make it more meaningful, result-oriented and impart it in an approachable and engaging manner. The focus of supplemental education is to work on grade improvement, customised learning and creating a great learning experience for students.

India as a whole has begun realising the need for quality education as a stepping stone for a better quality of life. Parents want their children to improve their standards of living and enjoy better lifestyle than what they enjoyed. To be able to achieve this, they often spend their savings and even borrow and invest money to fund their children's education. Indian consumers are not 'price sensitive' about education and often spend more than they can afford to get their children coached at the right place, as it yields great dividends.



Decline in drop-out ratio

With the Right of Children to Free & Compulsory Education Act (RTE) having completed two years, enrolment indicators have been reasonably healthy. The annual average school drop-out rate of children in India has declined from 9.1% to 6.8%, while enrolment has increased from 13.34 crore to 13.52 crore. There has been a 5% decline in drop-out rate in Bihar (7.06), Jharkhand (5.3), Nagaland (6.23) and Uttar Pradesh (5.65). Fund allocation under RTE has doubled from ₹13,100 crore in 2009-10 to ₹25,555 crore in 2012-13. (Source: www.dnaindia.com)

SSC – an important milestone

Board or Xth grade examination has gained a lot of importance in India as it is the percentage in this grade that decides what will a student opt for his / her further studies in the discipline of Science, Commerce or Arts. The grade gains even more significance, as in many parts of India, the number of seats for Class XIth is generally lower than the number of students who pass out 10th grade. This is normally the first external exam a student appears where the assessment is not done by school teachers. Even if the assessment is internally undertaken by the school, 10th grade is considered to be a milestone examination.

Common entrance curriculum

The number of students appearing for national common entrance examination for seeking admission into under-graduate engineering is rising each year. The recent change in IIT-JEE giving importance to Standard XII marks has further accentuated the trend. It has been proposed that for IITs, the class XII Board/equivalent marks are normalised on a percentile basis through an appropriate formula. This is added to marks obtained in JEE Main with equal weightage and used for the purpose of screening. Also, from 2013, there will be a common entrance or centralised examination for all central government-funded technical institutions.

With weightage given to Standard XII Board exams, more number of students may opt for coaching classes.

Technology: a key enabler

Technology is making new inroads into the sector of education and transforming the way education happens. It is helping the sector extend beyond linear and text-based learning. Technology-aided teaching (TAT) is increasingly being considered as the best way to ensure attention levels of students remain high during lectures. Digital technology has become an invisible, yet ubiquitous, part of a student's life. The power of digital content in changing the way education happens.

Digitisation of content makes the learning process more efficient and interesting. Customised solutions based on the learning needs offer a choice to students. The use of technology as an enabler for learning via video conferencing has made the education service a scalable model by way of monetising the content and delivery expertise.

Teaching methodologies

Experiential learning makes complex concepts easy. Interactive teaching methods and digitised classrooms have become the order of the day. Creation of content libraries to fully exploit the potential of new technologies is slowly emerging. These are supported by Internet-based learning models and appropriate classroom interaction. Increased emphasis is paid towards clarifying of concepts, simplified teaching and active learning methodologies. Interactive teaching, a key area of supplemental education, helps in keeping students inspired and motivated by inculcating a competitive spirit in them. It makes learning fun and easy and also engages students in thought-based learning, resulting in phenomenal grade improvement and spectacular performance.

Empowerment of teachers

Teacher training and faculty empowerment programs are increasingly aimed towards improving the academic delivery of education. Training sessions for teachers enable maintaining quality and learning new-age teaching methodologies with communication skills. This equips faculty members to adapt to an ever-changing and a dynamic academic environment.

Growth drivers

Several factors are driving the market towards rising demand of private participation in supplementary education in India. Some of these are: increasing consumption trends, burgeoning disposable incomes, nuclear family concepts, infrastructural bottlenecks in education system and rising household spend on education, among others. Some of the drivers are:

Growing household income

Average household incomes in India have multiplied manifold in the last few years. With strong and sustained economic growth, affordability levels have improved considerably. Increased transition of population from lower to higher income bracket is seen providing huge impetus to education spending. By 2012-13, nearly 52 million of total 69 million households in urban areas will figure in the ₹1-5 lakh income bracket. However, this figure was less than half of 21 million during 2001-02.

Rising household spend

Due to the rising affordability and increased awareness of strong benefits of education, there is a major increase in the demand for quality education. Total share of education in consumer spend ranges from 1.4% for the poorest to over 10% for the richest. Hence, as the 'per head' income has been increasing and people are transcending the poverty line, it has led to an explosive growth in the education spend of our country.

Need for quality education

Perceived and experienced gaps in quality of education are driving even lower income students to shift from public education to private. The shift is being witnessed even in the case of elementary education. As the proportion of students pursuing private education increases, private capital infused in the sector will correspondingly rise.

Infrastructural bottlenecks in education

India faces a paucity of adequate infrastructure in education, despite rising government spend on setting up of educational institutions. The quality of educational institutes and teachers catering to India's population leaves a lot to be desired.

Enlarged scope of coaching institutes

Sustained economic growth, rise of double income families, nuclear families with no support, challenging syllabi, need to perform in competitive exams, shift from rote learning

to conceptual clarity, curiosity to perfect the subject matter, need to acquire study skills and techniques to do better are some drivers that have led the students and the parent community to subscribe to supplementary education, coaching and mentoring. With rising disposable incomes and increased household spends on education, the number of students opting for coaching classes is rising healthily. (Source: CRISIL Research Report, State Coaching Industry, April 2011).

Increased private sector participation

The above factors have collectively led to the attraction of high entrepreneurial interest in India's education sector. Today, it is a sunrise sector which is well followed, keenly observed and investor-friendly. Some of the key features are annuity and perpetuity of income due to year-on-year enrolment, negative working capital, free cash flow, asset light, lease or rental model, decent return on investment and largely immune to the economic downturn. Today, there is a rising need to further unlock the power of private capital and invest in developing India's education infrastructure.



About MT Educare

MT Educare is a new-age education Company in the supplemental education business which aims to bring about a paradigm shift in the way education happens.

It is one of the leading players in India's supplementary education industry with the largest number of coaching centers in Maharashtra. Our motto is to emerge as a holistic education solutions provider. We endeavour to impart quality education through a pool of expert faculty by touching the lives of as many students as possible. We aspire to establish ourselves as one of the leading institutions in the country offering cutting-edge supplementary education.

At MT Educare, we strive towards shaping up young minds by sharing knowledge. We're metamorphosing India's supplemental education system and preparing it to take on the challenges of the 21st century. Our education solutions are positively changing the way learning is imparted to students.

We reiterate our commitment to nurture minds and mentor students through qualified faculty, result-oriented approach and better teaching methodologies. Our key strength lies in our ability to enable transformational growth across the entire value chain – 9th, 10th, 11th & 12th, graduation to the professional courses. MT Educare has continuously innovated and evolved its product portfolio to make them responsive to the changing trends in education.

Our USPs

Leading player

MT Educare is the one of the leading players in India's educational coaching industry with the largest number of coaching centers in Maharashtra.

Well recognised brand

By virtue of being one of the largest and oldest players in the coaching industry, Mahesh Tutorials enjoys a good brand image and is a household name in the city of Mumbai city, besides being a popular brand in other states. MT Educare, the corporate face of the Mahesh Tutorials brand, has established itself as a trusted institution in education support and coaching services provider.

Experienced faculties

Future growth potential, career opportunities, stock options and low attrition rate has contributed to a stable, committed and a passionate pool of experienced faculty members at MT Educare, which has led to a sustained growth of the Company.

Corporatised structure

MT Educare enjoys the leadership status in this sector owing to a corporatised set-up based on systems and processes, feedback and reviews, training and development programmes, and above all, corporate governance. Experienced management team, with strong domain knowledge, has made it possible to address the challenges and deliver the results year-on-year.

Diversified portfolio

MT Educare has evolved its product portfolio to cater to students from diverse backgrounds, thus expanding its outreach. The diversified portfolio enables it to optimally utilise its infrastructure by catering to timings of different schools and colleges for different classes throughout the day.

Result-oriented coaching methods

MT Educare has developed scientific coaching methods and a system of imparting conceptual knowledge and analytical skills to address either subjective or objective tests and thus enable students to improve their accuracy levels and speed.

Process driven

Training and development workshops throughout the year, uniformity of content delivery, consistent evaluation methods and standard operating processes has collectively contributed to MT Educare emerging as a process-driven entity.

Strategically-located centres

Most of our centers are strategically located around the railway and bus stations to facilitate commuting by students. The huge scale of our operations provides a good reach and visibility, which in turn, has made MT Educare a preferred option.

States in Focus

Maharashtra, Karnataka, Gujarat and Tamil Nadu together account for nearly 30% of the total Indian population. These also figure prominently amongst those with tremendous increase in education spend of their total annual expenditure. During the last decade, literacy rates boosted, which presented a good opportunity for MT Educare to leverage. Students opt for coaching as early as primary or upper primary level in these states, owing to which the need for supplemental coaching is high.

IPO Review

MT Educare raised ₹99 crore through its Initial Public Offer (IPO) in March 2012, consisting of an Offer for Sale of ₹64 crore and a Fresh Issue by the Company of 35 crore. The IPO received an over-whelming response from retail and non-institutional investors and was over-subscribed 4.8 times. The net proceeds from the issue are being utilised for (a) Part financing the cost of construction of a pre-university college campus (PUC) in Mangalore, Karnataka (b) Establishing coaching centers at new locations (c) General corporate purposes.

Risk and Concerns

Change of academic curriculum and syllabi

Expert team of faculty adapting to changes in the curriculum and examination pattern at a short notice is not only important, but a must.

Fluctuation in rentals

Certain metro cities with high rentals can erode the business margins.

Government regulations

As education is an emerging sector, policies and regulations are still evolving.

Human Resources

MT Educare had 968 employees, as of March 31, 2012. The employees primarily consist of non-teaching staff who administer academic operations. These can range from co-ordinating classrooms and database, organising counselling sessions and meetings with parents, besides technology, service and business operations.

Financial performance

Standalone

₹ in lakhs

Particular	As at 31 March 2012	As at 31 March 2011	Growth (%)
Revenue	12,832.20	10,524.03	21.93
EBIDTA	2,381.29	1,929.21	23.43
PAT	1,376.73	825.79	66.72
Basic EPS (₹)	3.93	2.40	63.75

Consolidated

₹ in lakhs

Particular	As at 31 March 2012	As at 31 March 2011	Growth (%)
Revenue	13,057.35	10,551.04	23.75
EBIDTA	2,310.39	1,901.63	21.50
PAT	1,283.99	797.81	60.94
Basic EPS (₹)	3.78	2.36	60.17

Total student serviced* (School, Science and Commerce section)

Nos.

2011-12	2010-11	Growth (%)
66,534	58,300	14.12

* **Student Serviced:** The number of students from whom revenue has been recognised, in whole or part, based on the distinct Courses availed by them during the relevant Fiscal, in the Coaching Centres operated by the Company.

*It does not include Student Serviced in CPLC, Global Champs, Study Mate and Franchisee Centres.





Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of the Company's ethos. MT Educare also contributes largely towards the betterment of the society by conducting outreach programs. We fulfill our corporate social responsibilities by reaching out to the destitute in our own way, such as adopting the under-privileged students. Our CSR activities also include career guidance seminars, art and craft sessions, medical camps, etc. We have been supporting victims of the Gujarat earthquake, Tsunami and Mumbai train bomb-blasts.

Internal Control System

The internal audit and control procedures adopted by MT Educare are adequate and commensurate with the size and the complexity of the business. The Company strives to continuously upgrade its systems in line with the best available practices. These systems are supported by periodical reviews by the management, and standard policies and guidelines to ensure financial and other records are prepared accurately. All major expenses are controlled and businesses are monitored to ensure actual spending is in accordance with the budget. The Audit Committee of the Company deals with the significant control issues raised by Internal and External Auditors and instructs further areas to be covered. A well-defined organisational structure, internal controls, defined authority matrix and documented policy guidelines ensure compliance with internal policies and applicable laws and regulations, efficiency of operations and protection of resources.

Outlook

The business opportunity potential for MT Educare is large, considering there are 15 lakh students in Maharashtra alone to

be captured in 10th grade coaching alone. Further, the coaching industry is expected to grow by 15% CAGR over the next few years. We envisage this to have a positive impact on the student enrolment and subsequent servicing by us in the future. We plan to expand our centres further by identifying new markets, introducing new courses and engaging new verticals. We're also keen on new opportunities to take advantage of the niches in the segment. We continue to invest in our staff and review the organisational structure at frequent intervals to ensure our staff contributes to our emerging core business direction.

MT Educare will continue to focus on strengthening its brand presence across the country and broadening its offerings in a competitive marketplace. We aim to focus on positioning ourselves as a holistic education solutions provider. We strive to nurture students' minds, touch their lives and cater to the untapped potential in this exciting business opportunity. We have embarked upon several initiatives to develop educational infrastructure.

The education sphere offers attractive opportunities, considering growing disposable incomes and rising demand for supplemental education. We have been making the right investments in creating the necessary framework, technology and processes to capitalise on a new world of learning. We seek to continue the transformational growth across the entire educational value chain. We continue to rely on technology to evolve new paradigms in knowledge dissemination and remain poised to emerge as a leader in India's tech-driven education space.

DIRECTORS' REPORT



DEAR MEMBERS,

Your Directors are pleased to present the Sixth Annual Report and audited accounts for the financial year ended 31 March, 2012.

FINANCIAL RESULTS

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

	(₹ in lakhs)	
Particulars	2011-12	2010-11
Fees	12,491.11	10,243.16
Operating income	341.09	280.87
Revenue from operations	12,832.20	10,524.03
Total expenses	10,450.91	8,594.82
Earnings before interest, tax, depreciation and amortisation	2,381.29	1,929.21
Less: Financial expenses	4.79	0.22
Less: Depreciation & amortisation expenses	763.81	830.23
Add: Other Income	404.49	207.72
Profit before tax	2,017.18	1,306.48
Provision for tax:		
Current tax	731.00	576.00
Current tax relating to prior years	5.85	0.00
Deferred tax	(96.40)	(95.31)
Profit for the year FY 2011-12	1,376.73	825.79
Prior period items	0.01	0.00
Profit available for appropriations	1,376.74	825.79
Appropriation:		
Proposed dividend	177.97	140.69
Dividend Distribution Tax	28.87	22.82
Transfer to General Reserve	1,169.90	662.28
	1,376.74	825.79



OPERATIONS

The fees collected, after considering discount and concessions stood at ₹12,491.11 lakhs as against ₹10,243.16 lakhs for the previous year registering an increase of around 21.94%. The operating income stood at ₹341.09 lakhs (Previous year ₹280.87 lakhs). Earnings before interest, depreciation, tax and amortisation (EBIDTA) increased by around 23.43% and stood at ₹2,381.29 lakhs as compared to previous year's figure of ₹1,929.21 lakhs. Profit after tax increased by 66.72% from ₹825.79 lakhs in the previous year to ₹1,376.73 lakhs in the current year.

Of the total Direct Income for FY 2011-12, 48.07% was contributed by School division, 21.03% by Commerce division, 25.98% by Science division and the balance 4.92% was contributed by other ventures.

DIVIDEND

Your Directors have recommended a dividend of ₹0.45 (4.5%) per Equity share (previous year ₹0.40 per Equity Share) for the financial year ended 31 March, 2012, on a share capital of ₹39,54,78,720 divided into 3,95,47,872 Equity shares of ₹10/- each.

The total dividend payout including Dividend Distribution Tax of ₹28.87 lakhs (previous year ₹22.82 lakhs) would absorb ₹206.84 lakhs (previous year ₹163.51 lakhs).

EMPLOYEE STOCK OPTION PLAN

The Company implemented the Employee Stock Options Scheme "ESOP 2011 – II" in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guidelines"). The applicable disclosures as stipulated under the SEBI Guidelines as at 31 March 2012 are provided in Annexure 1 to this Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the listing agreement with the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE) is presented in a separate section forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary company are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. Details of subsidiary of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

DIRECTORS

Dr. Chhaya Shastri, Mr. Cyrus Driver & Ms. Drushti Desai, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year under review, the applicable accounting standards read with

requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

- (ii) the Directors 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 as at 31 March 2012 and of profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS

M/s. Shaparia & Mehta, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible 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 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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 Conversation of Energy and Technology Absorption are not applicable to your Company

- ii. Foreign Exchange Earnings and Outgo:

Earnings: ₹278.53 lakhs - (Previous year ₹131.08 lakhs)

Outgo: ₹195.24 lakhs (Previous year ₹25.25 lakhs)

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

INCREASE IN THE PAID-UP SHARE CAPITAL

In the extraordinary general meeting held on 13 April, 2011, the shareholders approved (a) the issue of 140,886 options under the Scheme titled "ESOP 2011-I", convertible into 140,886 Equity shares of ₹10 each and (b) the issue of 680,966 Equity Shares at a consideration of ₹10 per Equity Share to the Associate Trust. The Company has on 2 June, 2011 allotted 680,966 Equity Shares to the Associate Trust and the options granted have been exercised and converted into 140,886 equity shares, as a result of which the share capital of the Company has increased from ₹343,510,200 divided into 34,351,020 equity shares of ₹10 each to ₹351,728,720 divided into 35,172,872 equity shares of ₹10. For more details please refer note 3.5 of the Notes forming part of the financial statements.

APPRECIATION

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

Your Directors also express their appreciation to all the visiting faculty, lecturers, employees of **MT Educare FAMILY** for their hard work, commitment, dedicated services and collective contribution.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 26 May, 2012

Mahesh R. Shetty

Chairman and Managing Director

Annexure 1

DETAILS OF EMPLOYEE STOCK OPTION SCHEME 2011 - II ("ESOP 2011 - II")

The Company instituted the ESOP 2011 - II on 8 April, 2011, pursuant to Board and Shareholders' resolutions dated 8 April, 2011 and 13 April, 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.

The Company has granted 272,912 options convertible into 272,912 Equity Shares of face value ₹10 each under ESOP 2011 - II, which represents 0.78% of the pre-Issue paid-up equity capital of your 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	272,912
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 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. The Company has used the fair value of options for the purpose of recognising employee compensation cost.
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	The Company has adopted Black Scholes method to estimate the fair value of options with the following assumptions:

Particulars	Details
	(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)	NA

Note 1: Details regarding options granted to the Directors and Key Management Personnel under ESOP 2011 – II are set forth below:

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	120,672	Nil	120,672	319,967
Chandresh Fooria	48,091	Nil	48,091	422,353
Shrenik Kotecha	23,607	Nil	23,607	231,085
Sujeet Koyoot	23,607	Nil	23,607	231,085
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:

Name of Employee	Total No. of options granted
Anish Thakkar	120,672
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
30 September, 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
30 April, 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
30 April, 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 your Company.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 26 May, 2012

Mahesh R. Shetty

Chairman and Managing Director

Report on Corporate Governance



In accordance with Clause 49 of the Listing Agreement entered with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) (Clause 49) and some of the best practices followed on Corporate Governance, the report containing the details of corporate governance systems and processes at MT Educare Limited is as under:

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 equilibrium 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 Director 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.

Category	Name of the Directors
Promoter & Executive Director	Mr. Mahesh R. Shetty
Non-Executive Non-Independent Directors	Mr. Naarayanan Iyer Mr. David Danziger Dr. Chhaya Shastri
Non-Executive Independent Directors	Mr. Cyrus Driver Ms. Drushti Desai Mr. Yatin Samant Mr. Uday Lajmi

All the independent Directors of the Company furnished a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations were/are placed before the Board.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

Board meeting and attendance:

Seven Board meetings were held during the year. The dates on which the meetings were held are as follows:

Sr. No	Date of Meeting	Board Strength	No. of Directors present
1	8 April, 2011	3	3
2	2 June, 2011	7	7
3	11 June, 2011	8	8
4	19 August, 2011	8	8
5	28 December, 2011	8	7
6	24 February, 2012	8	7
7	30 March, 2012	8	7



Attendance of each Director at the Board meeting and each annual general meeting (AGM) and the number of companies and committees where he / she is a Director / member (as on 31 March, 2012)

Name of Director	Category of the Directorship	Number of Board Meeting Attended	Attendance at the last AGM held	Number of Directorship in other companies	Number of Committee positions held in other companies
Mr. Mahesh R. Shetty	Chairman & Managing Director – Executive (Promoter)	7	Yes	4	Nil
Mr. Naarayanan Iyer	Non-Executive Non-Independent Director	7	Yes	Nil	Nil
Mr. David Danziger	Non-Executive Non-Independent Director	4	No	5	Nil
Dr. Chhaya Shastri	Non-Executive Non-Independent Director	6	Yes	3	Nil
Mr. Cyrus Driver	Non-Executive Independent Director	6	Yes	2	Nil
Ms. Drushti Desai	Non-Executive Independent Director	6	Yes	2	Nil
Mr. Yatin Samant	Non-Executive Independent Director	6	No	Nil	Nil
Mr. Uday Lajmi	Non-Executive Independent Director	5	Yes	Nil	Nil

Notes: The Directorships exclude alternate Directorships.

Director with materially significant transactions, pecuniary or business relationship with the Company

There have been no materially significant transactions, pecuniary transactions or relationships between the Company and its Directors that may have a potential conflict with the interest of the Company at large

Directors' Profile

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they

hold Directorships, chairmanships of board committees and their shareholding in the Company are provided below:

Mahesh R. Shetty holds a bachelor's degree in science and education from the University of Mumbai. He has over 27 years of experience in the coaching sector. He started the business of providing coaching services to students in School Section in 1988 under the brand of 'Mahesh Tutorials'.

He is a Director of MT Education Services Private Limited; Prithviraj Shares and Securities Private Limited; Neptune Developers Limited and Neptune Ventures and Developers Private Limited.

He was awarded the 'Pride of the Nation Award' by the All India Achievers Association in 2008.

He is Promoter of the Company and holds 16,956,885 Equity Shares of the Company in his name as on 31 March, 2012.

Naarayanan Iyer holds a bachelor's degree in mechanical engineering from the University of Madras. He has 23 years of experience in the education sector and is associated with the Company since inception. He holds 198,000 Equity Shares of the Company in his name as on 31 March, 2012.

David Danziger holds a bachelor's degree in history from Harvard College, USA and a master's degree in business administration from Harvard Business School, USA. He was appointed as a Director of your Company on 29 August, 2007. He has an experience of 20 years in the field of sales, marketing, finance and planning. He is a Director of Helix Investments Company; Learning Mate Solutions Private Limited; Griffin Land and Nurseries, Inc.; Helix Investments Management Company; Helix Investments II.

He does not hold any Equity shares in his name as on 31 March, 2012.

Dr. Chhaya Shastri holds a bachelor's degree in dental surgery and a bachelor's degree in law (general) from the University of Mumbai. She has also completed a one year programme in business management from the Indian Institute of Management, Calcutta. She was appointed as a Director of your Company on 8 April, 2011. In 2005, she started advising small and medium enterprises in her capacity as a promoter Director of Prosynapse Consultants India Private Limited in various fields like media, healthcare, constructions and manufacturing. She joined our business in 2005 in the capacity of an advisor on behalf of Prosynapse Consultants India Private Limited, pursuant to a retainerhip arrangement. She has played a major role in establishing the Company as a corporate entity and formulating strategic expansion plans of the Company.

She is a Director of Prosynapse Consultants India Private Limited; MT Education Services Private Limited; and HT Learning Centres Limited. She is the member of Audit Committee and Shareholders' and Investors' Grievances Committee of the Company.

She holds 1,717,551 Equity shares in her name as on 31 March, 2012.

Cyrus Driver holds a bachelor's degree in engineering from the Indian Institute of Technology, Mumbai and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was appointed as Director of the Company on 8, 2011. He has 12 years of experience in private equity investing. He is the founder of the health food service "Calorie Care" and Director of Goodlife Integrated Fitness Solutions Private Limited. He is the Chairman of Remuneration Committee of the Company.

He does not hold any Equity shares in his name as on 31 March, 2012.

Drushti Desai holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, Mumbai. She is also a fellow chartered accountant of ICAI. She was appointed as a Director of your Company on 8 April, 2011. She has 14 years of experience in the field of chartered accountancy, taxation, restructuring advisory and valuation.

She is a Director of MPIL Corporation Limited; Kruti Finance and Holdings Private Limited. She is the Chairperson of Audit Committee and member of Shareholders' and Investors'

Grievances Committee of the Company. She is a partner of Bansi S. Mehta & Co., B. S. Mehta & Co., and BSM Associates, Chartered Accountants.

She does not hold any Equity shares in her name as on 31 March, 2012.

Yatin Samant holds a bachelor's degree in engineering from Veermata Jijabai Institute of Technology, Mumbai and a master's degree in management studies from Jamnalal Bajaj Institute of Management Sciences, Mumbai. He was appointed as a Director of your Company on 8 April, 2011. He has over 26 years of varied experience in sales, marketing, business development and general management across industries.

He is the member of Remuneration Committee and Shareholders' and Investors' Grievances Committee.

He does not hold any Equity shares in his name as on 31 March, 2012.

Uday Lajmi holds a master's degree in marketing management from the University of Mumbai and a doctorate degree in physical chemistry from the Institute of Technology Mumbai. He was appointed as a Director of your Company on 2 June, 2011. He has over 21 years of experience in various capacities in industry and academics and presently is the additional vice president (training & development) with Reliance Infrastructure Limited.

He is the member of Audit Committee and Remuneration Committee of the Company

He does not hold any Equity shares in his name as on 31 March, 2012.

3. AUDIT COMMITTEE

The Audit Committee was constituted by a meeting of the Board held on 2 June, 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. Mr. Ashwin M. Patel, Company Secretary, acts as secretary to the Audit Committee.

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:

- Overseeing our financial reporting process and the disclosure of our financial information to ensure that the financial statement is correct, sufficient and credible;
- 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;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board;
- 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;
- (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.

Subsequent to constitution of Audit Committee on 2 June, 2011, two Audit Committee Meetings were held during the year. The dates on which the meetings were held are as follows:

Sr. No	Date of Meeting	Strength of the Committee	No. of Directors present
1	19 August, 2011	3	3
2	28 December, 2011	3	3

The Composition of the Audit Committee is as follows:

Sr. No	Name	Designation on the Committee	Category of Directorship	Attendance out of two meetings held
1	Ms. Drushti Desai	Chairman	Independent Non- Executive Director	2
2	Mr. Uday Lajmi	Member	Independent Non- Executive Director	2
3	Dr. Chhaya Shastri	Member	Non Independent Non- Executive Director	2

The Chairman & Managing Director, chief financial officer, statutory auditor and internal auditor have been invitees to the Audit Committee meetings

4. REMUNERATION COMMITTEE

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

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

- To review the remuneration of whole time / Managing Director, including annual increment and commission after reviewing their performance;
- Review the remuneration policy followed by the Company, taking into consideration the performance of senior executives on certain prescribed parameters; and
- 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.

Remuneration paid to the Chairman and Managing Director during FY 2011-12

The remuneration paid to Mr. Mahesh R. Shetty during the year FY 2011-12 is ₹9,000,000.

Remuneration and shareholding of Non-executive Directors

The non-executive Directors at present are only paid sitting fees for attending meetings of the board and committee(s) thereof. Keeping in view industry practices being the criteria relied upon by the board, the board unanimously decides the amount of sitting fees to be paid from time to time, based on the power conferred by the Articles of Association of the Company. The sitting fee presently fixed does not require prior approval of the shareholders. The information on amount of sitting fees paid to the non-executive Directors for attending meetings of the board and committee(s) thereof held during the year ended on 31 March, 2012 is as under:

Sitting fees paid to the Non-executive Directors for FY 2011-12 are as detailed below:

Name of the Non-Executive Director	Sitting Fees (₹)
Mr. Naarayanan Iyer	90,000
Dr. Chhaya Shastri	160,000
Cyrus Driver	150,000
Drushti Desai	120,000
Yatin Samant	120,000
Uday Lajmi	115,000

Besides dividend on equity shares held, if any, by the non-executive Directors no other payments have been made or transaction of a pecuniary nature entered into by the Company with the said Directors.

The shares held by Non-Executive Directors in the Company as of 31 March, 2012 are as follows:

Name of the Non-Executive Director	Shares held
Mr. Naarayanan Iyer	198,000
David Danziger	Nil
Dr. Chhaya Shastri	1,717,551
Cyrus Driver	Nil
Drushti Desai	Nil
Yatin Samant	Nil
Uday Lajmi	Nil

Subsequent to constitution of Remuneration Committee on 2 June, 2011, two Committee Meetings were held during the year. The dates on which the meetings were held are as follows:

Sr. No	Date of Meeting	Strength of the Committee	No. of Directors present
1	11 June, 2011	3	3
2	19 August, 2011	3	3

The Composition of the Remuneration Committee is as follows:

Sr. No	Name	Designation on the Committee	Category of Directorship	Attendance out of two meetings held
1	Mr. Cyrus Driver	Chairman	Independent Non-Executive Director	2
2	Mr. Yatin Samant	Member	Independent Non-Executive Director	2
3	Mr. Uday Lajmi	Member	Independent Non-Executive Director	2

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders' and Investors' Grievances Committee was constituted by the Board at their meeting held on 2 June, 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 the Company include the following:

- To approve share transfer and transmissions;
- 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;
- Issue of duplicate share certificates in lieu of lost, mutilated and destroyed certificates;
- Matter relating to dematerialisation of shares and securities; and
- 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.

Subsequent to constitution of Shareholders and Investors Grievance Committee on 2 June, 2011, one Committee Meeting was held during the year on 19 August, 2011.

The Composition of Shareholders and Investors Grievance Committee is as follows:

Sr. No	Name	Designation on the Committee	Category of Directorship	Attendance at meetings held
1	Mr. Yatin Samant	Chairman	Independent Non-Executive Director	1
2	Ms. Drushti Desai	Member	Independent Non-Executive Director	1
3	Dr. Chhaya Shastri	Member	Non Independent Non-Executive Director	1

Compliance Officer

Mr. Ashwin M. Patel, Company Secretary and Compliance Officer, is the Compliance officer for complying with the requirements of the Securities Laws and the Listing Agreement with the Stock Exchanges.

Investors Grievance Redressal

During the year under review the Company has not received any complaint from the Shareholders.

6. GENERAL BODY MEETINGS

The Company got listed on April 12, 2012. The last three Annual General Meetings were held at the registered office of the Company at 220, 2nd Floor, "FLYING COLORS", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai 400080.

There were no special resolutions passed by postal ballot during the last year. Further no resolution is proposed to be passed through postal ballot for the ensuing Annual General Meeting.

7. DISCLOSURES

- There are no materially significant related party transactions i.e. transaction of the Company of material nature, with its Promoter, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- Transaction with related parties are disclosed in notes forming part of financial statements in the Annual Report.
- During the last three years there were no penalties and strictures imposed on the Company by any statutory authority for non-compliance of any matter related to capital market.
- The Company does not have whistle blower policy. However, no personnel of the Company have been denied to the Grievance Redressal Mechanism of the Company.
- Compliance of Clause 49 of the Listing agreement is not applicable to the Company for FY 2011-12 as the Equity shares of the Company got listed on the BSE Limited and the National Stock Exchange of India Ltd on 12 April, 2012.

8. MEANS OF COMMUNICATION

- The quarterly results to be submitted to the stock exchanges shall be published in at least in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and the same shall also be displayed on Company's website: www.mteducare.com.
- Any press release, if issued, after publishing of unaudited / audited Quarterly / Annual results will also be uploaded on Company's website.

Management Discussion And Analysis

The Management Discussion and Analysis Report forms a part of the Directors' Report.

9. GENERAL SHAREHOLDERS INFORMATION

AGM : Date, Time and Venue	14 September 2012 at 4.00 p.m at Shagun Banquet Hall, Devi Dayal Road, Behind Fire Brigade Office, Mulund (West), Mumbai 400080.
Financial Calendar (Tentative)	April to March First quarter results – 10 August, 2012 Half yearly results – 2 November, 2012 Third quarter results – 1 February, 2013 Audited results for the year ending 31 March, 2013 – May 2013
Date of Book Closure	8 September 2012 to 14 September 2012 (both days inclusive)
Dividend payment date	On or after 19 September 2012
Listing on Stock Exchange	The BSE Limited (BSE) The National Stock Exchange of India Limited (NSE) The Company has paid the annual listing fees for the period 1 April 2012 to 31 March, 2013 to both the stock exchanges
Stock Code	BSE 534312 NSE MTEDUCARE
ISIN Number of the Equity Shares having nominal value of ₹0/-	INE472M01018
Market price data: High, low during each month in the last financial year	Not applicable as shares of the Company got listed on 12 April, 2012
Performance in comparison to BSE Sensex	Not applicable
Registrar and Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mill Compound L.B.S Marg, Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 Investor Grievance Email: mtel.ipo@linkintime.co.in
Share Transfer System	All the transfers received are processed and approved by a share transfer committee.
Distribution of Shareholding and shareholding pattern as on 31 March 2012	Please See Annexure 'A'
Dematerialisation of shares and liquidity	Please See Annexure 'B'
Outstanding GDR / ADR / Warrants or any convertible instrument. Conversion date and impact on equity	No such instruments are issued
Plant Location	Not applicable as the Company is in the service sector
Address of correspondence	MT Educare Limited 220, 2nd Floor, "FLYING COLORS" Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai 400080 Tel No. (022) 2593 7700 / 800 / 900 Fax No.(022) 2593 7799 Email : info@mteducare.com

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participant

Annexure 'A'

Shareholding pattern as on 31 March 2012

	Category	No. of shares held	Percentage to total
a.	Promoter	16,956,885	48.2101
b.	Directors and relatives	1,915,551	5.4461
c.	Mutual Funds	0	0.0000
d.	Banks, Financial Institutions, Insurance Companies	0	0.0000
e.	Foreign Institutional Investors (FII's)	0	0.0000
f.	Domestic Companies	495,000	1.4073
g.	Indian Public	5,730,404	16.2921
h.	Non Resident Indians / Overseas Corporate bodies / Foreign Corporate Bodies (NRI's / OCBs / FCBs)	10,075,032	28.6444
	Grand Total	35,172,872	100.0000

Annexure 'B'

Dematerialisation of shares:

Category	Number of shares	% of shares	Number of shareholders	Percentage of shareholders
Electronic Form	27,488,703	78.15	6	6.74
Physical Form	7,684,169	21.85	83	93.26
Total	35,172,872	100.00	89	100.00

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 will be posted on the Company's website and in view of this, summary of such events is not separately sent to the shareholders.

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.

Code of Conduct

The code of conduct became applicable post listing of Equity shares on BSE and NSE i.e. 12 April, 2012 and hence the declaration pertaining to its compliance by management personnel for FY 2011-12 is not given.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 26 May, 2012

Mahesh R. Shetty

Chairman and Managing Director

Auditor's Certificate on Corporate Governance

To,
**The Members of
MT Educare Limited**

We have examined the compliance of conditions of corporate governance by MT Educare Limited for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement. We state that during the year under review, there were no complaints received from the shareholders.

We, further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sanjiv B Mehta
Partner
Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

Auditors' Report

To The Members of
MT EDUCARE LIMITED

1. We have audited the attached Balance Sheet of **MT EDUCARE LIMITED** ("the Company") (Earlier **MT EDUCARE PRIVATE LIMITED**), as at 31st March, 2012, the Statement of Profit and Loss & 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 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, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, the Statement of Profit and Loss 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 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - 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:
 - a) in the case of the Balance Sheet, of the State of the Affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit & Loss, of the Profit for the year ended on that date; and
 - c) 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 Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

Annexure to the Auditors' Report

- i. (a) The Company has maintained location wise records of fixed assets in excel sheet in terms of value and quantity. [Paragraph 4(i)(a)]
- (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. 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(ii) of the order are not applicable to the Company. [Paragraph 4(ii)(a), 4(ii)(b) and 4(ii)(c)]
- iii. (a) According to the information and explanations given to us the Company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act 1956. [Paragraph 4(iii)(a)]. The Closing Balance as on 31.03.2012 is ₹ 1.79 lakhs and the maximum balance outstanding during the year is ₹ 1.79 lakhs.
- | Particulars | No of Parties | Amount (₹ in lakhs) |
|--------------------------------|---------------|---------------------|
| Opening balance | 1 | 0.17 |
| Loan granted during the year | 1 | 1.62 |
| Loan recovered during the year | 0 | 0.00 |
| Closing balance | 1 | 1.79 |
- (b) No Interest is charged on 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 ₹ 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 Paragraph 4(iii)(e), 4(iii)(f), and 4(iii)(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)]
- 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 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. 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. [Paragraph 4(ix)(a)]

Details of dues of income tax which have not been deposited as on March 31, 2012 on account of any dispute are given below [Paragraph 4(ix)(b)] :

Nature of Statute	Nature of Dues	Amount Involved (₹ lakhs)	Period to which the amount relates.	Forum where the dispute is pending.
The Income-Tax Act, 1961	Income Tax	57.48	A.Y. 2007-08	Income Tax Tribunal
The Income-Tax Act, 1961	Income Tax	53.77	A.Y. 2009-10	Income Tax Tribunal

- x. The Company has no accumulated losses as on 31st March, 2012. The Company has not incurred any cash losses in the Current financial year and in the immediately preceeding financial years hence clause (x) of Paragraph 4 of the order is 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 banks as at the balance sheet date. The Company has no dues in respect of financial institutions 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 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 concluded its initial public offering on March 29, 2012, with the allotment of shares on April 10, 2012. The Company is yet to utilise any monies raised through the issue as of March 31, 2012, and it has deposited the money in Escrow account with Axis Bank Ltd. and ICICI Bank Ltd. [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 Reg No: 112350W

Sanjiv B Mehta
Partner

Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

Balance Sheet as at 31 March 2012

₹ in lakhs

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,517.29	3,435.10
(b) Reserves and surplus	4	2,264.09	1,339.94
(c) Money received against share warrants		-	-
		5,781.38	4,775.04
2 Share application money pending allotment	27	-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	5	533.02	343.92
(d) Long-term provisions	6	67.86	101.73
		600.88	445.65
4 Current liabilities			
(a) Short-term borrowings	7	-	450.00
(b) Trade payables	8	107.59	113.75
(c) Other current liabilities	9	5,096.34	3,900.91
(d) Short-term provisions	10	1,382.03	807.95
		6,585.96	5,272.61
TOTAL (1+2+3+4)		12,968.22	10,493.30
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.1	2,839.36	2,968.69
(ii) Intangible assets	11.2	178.29	260.54
(iii) Capital work-in-progress	11.3	1,535.72	91.42
(iv) Intangible assets under development	11.4	101.84	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	12	451.50	295.49
(c) Deferred tax assets (net)	26.6	409.09	312.68
(d) Long-term loans and advances	13	1,385.96	1,037.21
(e) Other non-current assets	14	20.94	7.84
		6,922.70	4,973.87
2 Current assets			
(a) Current investments	15	1,028.17	2,188.01
(b) Inventories		-	-
(c) Trade receivables	16	662.94	520.10
(d) Cash and cash equivalents	17	1,757.09	2,043.32
(e) Short-term loans and advances	18	2,593.63	739.00
(f) Other current assets	19	3.69	29.00
		6,045.52	5,519.43
TOTAL (1+2)		12,968.22	10,493.30

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2012

₹ in lakhs

Particulars	Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
1 Fees	20	12,491.11	10,243.16
Operating income	20	341.09	280.87
Revenue from operations (Net)		12,832.20	10,524.03
2 Expenses			
Direct Expenses	21	6,756.15	5,508.99
Personnel	22	1,760.71	1,349.23
Other Expenses	23	1,934.05	1,736.60
TOTAL		10,450.91	8,594.82
3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		2,381.29	1,929.21
4 Finance costs	24	4.79	0.22
5 Depreciation and amortisation expense	11	763.81	830.23
6 Other income	25	404.49	207.72
7 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4 - 5 + 6)		2,017.18	1,306.48
8 Exceptional items		-	-
9 Profit / (Loss) before extraordinary items and tax (7 + 8)		2,017.18	1,306.48
10 Extraordinary items		-	-
11 Profit / (Loss) before tax (9 + 10)		2,017.18	1,306.48
12 Tax expense:			
(a) Current tax expense for current year		731.00	576.00
(b) Current tax expense relating to prior years		5.85	0.00
(c) Net current tax expense (a+b)		736.85	576.00
(d) Deferred tax		(96.40)	(95.31)
13 Profit / (Loss) for the year (11-12)		1,376.73	825.79
14 Prior Period Items		0.01	-
15 Profit / (Loss) for Appropriation (13 + 14)		1,376.74	825.79
16 i Earnings per share (of ₹ 10 each):	26.5		
(a) Basic		3.93	2.40
(b) Diluted		3.91	2.40
16 ii Earnings per share (excluding extraordinary items) (of ₹10 each):	26.5		
(a) Basic		3.93	2.40
(b) Diluted		3.91	2.40

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No.: 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Cash Flow Statement for the year ended 31 March 2012

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before extraordinary items and tax	2,017.18	1,306.48
Adjustments for:		
Depreciation and amortisation	763.80	830.23
Expense on employee stock option scheme	73.63	-
Finance costs	4.79	0.22
Interest income	(167.55)	(130.88)
Dividend income	(149.17)	(71.47)
Net (gain) / loss on sale of investments	(66.83)	(8.46)
Net (gain) / loss on sale of fixed assets	39.53	138.48
Adjustments to the carrying amount of investments	(2.18)	2.18
Provision for Gratuity	28.37	53.25
Provision for doubtful trade receivables, loans and advances	69.01	23.86
Provision for leave encashment	12.50	9.52
Net unrealised exchange (gain) / loss	(20.78)	3.09
Operating cash flow before working capital changes	2,602.30	2,156.50
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(211.85)	(427.92)
Short-term loans and advances	(1,297.83)	(183.95)
Long-term loans and advances	347.82	(51.11)
Other current assets	(1.94)	22.36
Other non-current assets	-	(7.36)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(6.16)	103.85
Other current liabilities	794.11	64.57
Other long-term liabilities	189.10	190.03
Short-term provisions	478.02	228.63
Long-term provisions	-	22.31
	(664.77)	(38.59)
	1,937.53	2,117.91
Cash flow from extraordinary items	-	-
Cash generated from operations	1,937.53	2,117.91
Net income tax (paid) / refunds	(683.12)	(630.04)
Net cash flow from / (used in) operating activities (A)	1,254.41	1,487.87
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances (Net of proceeds on sale)	(1,987.46)	(688.04)
Current investments not considered as Cash and cash equivalents	1,228.86	(317.92)
Purchase of long-term investments		
- Equity Shares in Subsidiaries	(1.01)	(120.00)
- Debentures in Subsidiaries	(155.00)	(155.00)
Loans given to subsidiaries	(1.63)	-
Interest received on Debentures, Other Loans & Advances	1.46	26.75
Interest received on Fixed Deposits	175.45	104.13
Dividend on MF received	152.03	68.59
Dividend on Shares received	0.02	-
Net cash flow from / (used in) investing activities (B)	(587.28)	(1,081.49)

Cash Flow Statement for the year ended 31 March 2012

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	82.19	-
Security Deposit To Stock Exchanges	(99.00)	-
(Repayment)/ Borrowings of other short-term loans	(450.00)	450.00
Share Issue Expenses	(320.66)	-
Finance cost	(5.00)	(0.22)
Dividends paid	(140.69)	-
Tax on dividend	(22.82)	-
	(955.98)	449.78
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	(955.98)	449.78
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(288.85)	856.16
Cash and cash equivalents at the beginning of the year	2,043.32	1,188.03
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	2.62	(0.87)
Cash and cash equivalents at the end of the year	1,757.09	2,043.32
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	1,757.09	2,043.32
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	1,757.09	2,043.32
Add: Current investments considered as part of Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	1,757.09	2,043.32
Comprises:		
(a) Cash on hand	8.65	8.92
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	260.30	232.64
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	1,488.14	1,801.76
(iv) In earmarked accounts	-	-
(d) Others	-	-
(e) Current investments considered as part of Cash and cash equivalents	-	-
	1,757.09	2,043.32
Notes:		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.		
See accompanying notes forming part of the financial statements		

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Notes forming part of the financial statements

1 CORPORATE INFORMATION

MT Educare Limited (earlier MT Educare Private Limited) ('MTEL' or 'the Company') was incorporated under the Companies Act, 1956 on 19 August 2006 and is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

The Company is now a public limited company and has received fresh certificate of incorporation dated 18 May 2011. Thereon, it has changed its name from MT Educare Private Limited to MT Educare Limited.

The Company came out with its Initial Public Offer (IPO) on 27 March 2012 and the IPO closed on 29 March 2012. The Company was listed on the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) on 12 April 2012.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

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 recognises income and expenditure on accrual basis. All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purposes of classification of assets and liabilities into current and non-current.

2.2 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.

2.3 Cash and cash equivalents

Cash comprises cash on hand, bank balances and demand deposits with banks.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

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. Depreciation on RFID Assets is provided at the rate of 60.00% p.a. on Written Down Value Method.

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.

2.6 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.

2.7 Revenue recognition

Revenue is recognised 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 recognised 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.

Upfront fee received from franchisees as brand fees is recognised as income over the period of the agreement.

Commission or royalty received from the franchisees is recognised as per the terms of agreements entered into with them.

The Company has adopted Income Approach to recognise Government Grants. As per AS 12 on Government Grants issued by ICAI, Government Grants should be recognised in the Profit and Loss statement on a systematic and rational basis over the periods necessary to match them with the related costs.

Notes forming part of the financial statements

Interest is recognised using the time-proportion method.

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

2.8 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 capitalised 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 31 March 2012.

In case of centers closed down or relocated during the period, Written Down Value of leasehold improvements / fixtures as on the date on which the centre is closed down / relocated are fully written off.

2.9 Intangible assets

An intangible asset is recognised, 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 amortisation. Amortisation of 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) A period of 3 years on non-compete fees and Technology Aided Teaching (TAT).
- (ii) A period of 3 years on goodwill, based on management's current estimate of useful life of the asset.
- (iii) A period of 5 years on ERP - SAP Software.
- (iv) A period of 5 years on purchase of Software License for Online teaching.

Expenses incurred on in-house development of courseware and content are shown as Capital Work In Progress till the time they have been put to use. They are capitalised 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.

2.10 Foreign currency transactions and translations

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any

exchange gains or losses arising on subsequent settlement of such transactions are accounted as income or expenses in the period in which they are settled and arise.

The accounts of the branch are consolidated by integral system of branch accounting. Transactions for a month are translated using the exchange rate prevailing at the end of the month, which approximates the average exchange rate. Any exchange gain / (loss) arising on the translation of the financial statement is taken to the P & L Account.

2.11 Government Grants, subsidies and export incentives

The Company has adopted Income Approach to recognise Government Grants. As per AS 12 on Government Grants issued by ICAI, Government Grants should be recognised 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 P & L Account. An appropriate amount in respect of such grant, recognising 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.

2.12 Investments

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

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

2.13 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 recognised as expense in the P & L Account during the period in which the employee renders the related services. The Company has no other obligation to the plans beyond its monthly contributions.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

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,

Notes forming part of the financial statements

premiums in respect of all qualifying employees to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme. 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 recognised in full in the P & L Account for the period in which they occur.

The yearly premium payable to LIC is charged to P & L Account.

C. Leave Entitlement

The Company has a policy of paying Leave Encashment benefits to its employees only in the event of their resignation or retirement, 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.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.14 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 geographical (secondary) segment, since segment assets and segment revenue do not exceed 10% of total business, segment reporting is not required.

2.15 Leases - 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 recognised as an

expense in the P & L 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 capitalised and added to the cost of leasehold improvements.

2.16 Earnings per share

Basic Earnings Per Share is calculated by dividing the Net Profit 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, granting and vesting employee stock options to employees. For the purpose of calculating diluted earnings per share, the net profit 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.

2.17 Taxes on income

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 recognised, 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 recognised 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 realised.

2.18 Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event and 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 as at the Balance Sheet date. These are reviewed as at each Balance Sheet date and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are discussed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the financial statements

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
3 SHARE CAPITAL				
(a) Authorised				
Equity shares of ₹ 10 each	42,000,000	4,200.00	35,000,000	3,500.00
(b) Issued (Refer note 3.1)				
Equity shares of ₹ 10 each	39,547,872	3,954.79	34,351,020	3,435.10
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each	35,172,872	3,517.29	34,351,020	3,435.10
TOTAL	35,172,872	3,517.29	34,351,020	3,435.10

- 3.1 The Company came out with its Initial Public Offer (IPO) on 27 March 2012. The closing date for the issue was 29 March 2012 and the final subscription & allotment was completed on 10 April 2012. 4,375,000 Equity shares have been issued but not subscribed as at 31 March 2012.
- 3.2 The Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.
- 3.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3.4 The Company has reserved 272,912 Equity shares for issuance of ESOP 2011 - II Scheme.
- 3.5 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 March 2012		Year ended 31 March 2011	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Opening Balance	34,351,020	3,435.10	1,040,940	104.09
Add:				
Bonus	-	-	33,310,080	3,331.01
ESOP (Refer note 26.7.1)	140,886	14.09	-	-
Fresh Issue (Refer Note 3.5.1)	680,966	68.10	-	-
CLOSING BALANCE	35,172,872	3,517.29	34,351,020	3,435.10

- 3.5.1 The Company has established MT Associates Trust (the "Associate Trust"), an individual irrevocable trust by means of a trust deed dated 13 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 organise 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 Board and Shareholders' resolutions dated 8 April 2011 and 13 April 2011, respectively and the Trust Deed, the Company has on 2 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.

Our Company through its Board of Directors, and in consultation with the head of the department of human resources, shall, from time to time, identify the Trust Beneficiaries who are entitled to receive Trust Shares. The Trust Beneficiaries identified by our Company and communicated to the Trustee by our Board of Directors, shall be provided a grant letter by the Trustee, containing the details of the number of Trust Shares to which such Trust Beneficiary is entitled and the manner in which such Trust Shares will be transferred to such Trust Beneficiary. As at Balance Sheet Date, grant letters had been issued in relation to 297,466 shares.

- 3.6 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2012		As at 31 March 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahesh R. Shetty	16,956,885	48.21	16,956,885	49.36
Helix Investments Company	10,075,032	28.64	10,075,032	29.33

Notes forming part of the financial statements

- 3.7** Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March 2012	As at 31 March 2011
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (Refer note 3.7.1)	34,177,530	34,177,530
Shares bought back	-	-

- 3.7.1** Out of the above, 867,450 equity shares were issued as bonus in the ratio of 5:1 in 2009-10 and 33,310,080 bonus equity shares were issued in the ratio of 32:1 in 2010-11

		₹ in lakhs	
Particulars	As at 31 March 2012	As at 31 March 2011	
4 RESERVES AND SURPLUS			
(a) Securities premium account			
Opening balance	-	3,194.11	
Add: Premium on shares issued during the year (Refer note 4.1)	36.57	-	
Less: Utilised during the year for issuing bonus shares	-	3,194.11	
Closing balance	36.57	-	
(b) Share options outstanding account			
Opening balance	-	-	
Add: Amounts recorded on grants/modifications/cancellations during the year	78.30	-	
Less: Written back to Statement of Profit and Loss during the year	-	-	
Transferred to Securities premium account	-	-	
	78.30	-	
Less: Deferred stock compensation expense	41.24	-	
Closing balance	37.06	-	
(c) General reserve			
Opening balance	1,339.94	814.56	
Add: Transferred from surplus in Statement of Profit and Loss	1,169.90	662.28	
Less: Utilised / transferred during the year for issuing bonus shares	-	136.90	
Add: Income Tax refund (Refer note 4.2)	25.44	-	
Less: IPO Expenses (Refer note 4.3)	344.82	-	
Closing balance	2,190.46	1,339.94	
(d) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	-	-	
Add: Profit / (Loss) for the year	1,376.74	825.79	
Amounts transferred from reserves	-	-	
Less: Interim dividend	-	-	
Dividends proposed to be distributed to equity shareholders (₹ 0.45 per share)	177.97	140.69	
Tax on dividend	28.87	22.82	
Transferred to:			
General reserve	1,169.90	662.28	
Closing balance	-	-	
TOTAL	2,264.09	1,339.94	

Notes forming part of the financial statements

4.1 Share Premium of ₹ 36.57 lakhs has arisen on issue of 140,886 shares as ESOP 2011-I to the employees. The shares have been issued at the face value of ₹ 10 against the fair market value of ₹ 35.96 arrived at after adopting Black-Scholes model. The share premium is realised as other than cash.

4.2 The income tax refund has been credited to the reserve account as it pertains to income tax refunds received for the partnerships

firms succeeded by private limited companies which amalgamated with the Company with retrospective effect from 1 April 2008 pursuant to a Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature at Bombay.

4.3 The IPO expenses debited to the reserve are net of reimbursement to be received from Selling Shareholder as part of their share in the total IPO expenses.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
5 OTHER LONG-TERM LIABILITIES		
(i) Advance Fees (Refer note 5.1)	533.02	316.42
(ii) Advance Received From Franchisees	-	27.50
TOTAL	533.02	343.92

5.1 Fees collected in advance from students to the extent of revenue which will not be recognised within a period of 12 months from the balance sheet date have classified as non-current liabilities.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
6 LONG-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for leave encashment	32.20	31.83
(ii) Provision for gratuity (net)	35.66	69.90
TOTAL	67.86	101.73

6.1 Provision for leave encashment and gratuity as at 31 March 2011 has been classified as non-current liabilities.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
7 SHORT-TERM BORROWINGS		
Loans repayable:		
From banks		
Secured (Refer note 7.1)	-	450.00
Unsecured	-	-
	-	450.00
From other parties		
Secured	-	-
Unsecured	-	-
	-	-
TOTAL	-	450.00

7.1 Details of security for the secured short-term borrowings:

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
Loans repayable on demand from banks:		
Shamrao Vithal Co-op Bank Ltd.	-	450.00
TOTAL - from banks	-	450.00

7.1.1 Loan from Shamrao Vithal Co-op Bank was availed on margin against fixed deposits of ₹ 500.00 lakhs.

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
8 TRADE PAYABLES		
Acceptances	-	-
Other than Acceptances		
Visiting Faculty Fees	98.94	106.46
Study Material	8.65	7.29
TOTAL	107.59	113.75

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
9 OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on borrowings	-	0.22
(b) Advance Fees (Unearned revenue)	4,307.47	3,510.77
(c) Advance fees from franchisee	-	15.00
(d) Outstanding Expenses	483.55	244.23
(e) Other payables		
(i) Statutory Remittances	110.48	68.51
(ii) Trade Payables - Capital Expenditure	194.21	62.18
(iii) Others	0.63	-
TOTAL	5,096.34	3,900.91

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
10 SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for bonus	12.88	-
(ii) Provision for compensated absences	12.14	-
(iii) Provision for gratuity (net)	62.61	-
	87.63	-
(b) Provision - Others:		
(i) Provision for Expenses (Refer note 10.1)	356.56	68.44
(ii) Proposed dividend	177.97	140.69
(iii) Dividend Distribution Tax	28.87	22.82
(iv) Provision for Income Tax	731.00	576.00
	1,271.41	807.95
TOTAL	1,382.03	807.95

10.1 Provision for Expenses includes expenses related to Initial Public Offer (IPO) ₹ 197.17 lakhs.

Notes forming part of the financial statements

₹ in lakhs

Particulars	Rate of Depreciation (%)	Gross Block			Depreciation			Net Block	
		As at 1 April 2011	Additions	Deductions	As at 31 March 2012	For The Year	Deductions	As at 31 March 2012	As at 31 March 2011
11 FIXED ASSETS									
11.1 Tangible Assets									
Building	5.00	680.08	-	-	680.08	30.40	-	577.56	607.96
Plant & Machinery	13.91	1,398.41	111.24	8.45	1,501.20	144.04	3.31	937.35	975.29
Computers	40.00	261.88	90.03	8.13	343.78	49.33	1.06	116.44	82.81
RFID	60.00	-	8.27	-	8.27	3.95	-	4.32	-
Furniture & Fixtures	25.88	2,695.93	309.70	56.94	2,948.69	375.69	27.52	1,193.58	1,288.99
Vehicles	25.89	29.34	-	-	29.34	3.51	-	10.03	13.54
Bicycles	20.00	0.27	-	-	0.27	0.02	-	0.08	0.10
		5,065.91	519.24	73.52	5,511.63	606.94	31.89	2,839.36	2,968.69
11.2 Intangible Assets									
Goodwill									
- Purchased	33.33	30.50	-	-	30.50	5.00	-	-	5.00
- Self Generated	100.00	59.92	-	-	59.92	-	-	-	-
TAT	33.33	294.65	14.06	-	308.71	100.57	-	70.16	156.67
Non Compete Fees	33.33	126.00	-	-	126.00	28.00	-	14.00	42.00
ERP - SAP Software	20.00	71.08	-	-	71.08	14.22	-	42.64	56.86
Trademark	100.00	0.11	-	-	0.11	-	-	0.01	0.01
INK VIII License Fees	20.00	-	60.56	-	60.56	9.08	-	51.48	-
		582.26	74.62	-	656.88	156.87	-	478.59	260.54
TOTAL		5,648.17	593.86	73.52	6,168.51	763.81	31.89	3,017.65	3,229.23
11.3 Capital WIP		91.42	1,916.68	472.38	1,535.72			1,535.72	91.42
11.4 Intangible assets under development		-	101.84	-	101.84			101.84	-

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012			As at 31 March 2011		
	Quoted	Unquoted	TOTAL	Quoted	Unquoted	TOTAL
12 NON-CURRENT INVESTMENTS						
Investments (At cost):						
A Trade						
(a) Investment in equity instruments						
41,633 Equity Shares of ₹10 each fully paid up of Chitale's Personalised Learning Pvt. Limited. (Prev. Yr. 41,633 Equity Shares of ₹10 Each)	-	120.00	120.00	-	120.00	120.00
10,000 Equity Shares of ₹10 each fully paid up of MT Education Services Pvt. Limited. (Prev. Yr. 1,800 Equity Shares of ₹10 Each)	-	1.19	1.19	-	0.18	0.18
1,250 Equity Shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	-	0.31	0.31	-	0.31	0.31
	-	121.50	121.50	-	120.49	120.49
(b) Investment in debentures or bonds						
(i) of subsidiaries						
33,000 6% NCD at ₹1,000 each of MT Education Services Pvt. Limited (Prev. Yr. 17,500 6% NCD of ₹ 1,000 each)	-	330.00	330.00	-	175.00	175.00
	-	330.00	330.00	-	175.00	175.00
TOTAL - TRADE (A)	-	451.50	451.50	-	295.49	295.49
TOTAL - OTHER INVESTMENTS (B)	-	-	-	-	-	-
TOTAL (A+B)	-	451.50	451.50	-	295.49	295.49
Less: Provision for diminution in value of investments			-			-
TOTAL			451.50			295.49
Aggregate amount of quoted investments			-			-
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			451.50			295.49

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
13 LONG-TERM LOANS AND ADVANCES		
(a) Advances	44.53	62.94
(b) Security deposits (Premises)	900.07	811.16
(c) Security deposits (Others)	247.16	15.57
(d) Loans and advances to related parties (Refer note 13.1)	1.79	0.17
(e) Loans and advances to employees	4.57	4.96
(f) Loans and advances to visiting faculty	30.30	31.70
(g) Loans and advances to others	66.77	28.63
(h) Advance income tax ₹ 1,067.30 lakhs (Previous year ₹ 722.84 lakhs) (net of provisions)		
- FBT	-	1.57
- Income tax	90.77	80.51
TOTAL	1,385.96	1,037.21

13.1 Long-term loans and advances include amounts due from:

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
MT Education Services Pvt. Limited	1.79	0.17
TOTAL	1.79	0.17

13.2 All the long term loans & advances are unsecured and considered good.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
14 OTHER NON-CURRENT ASSETS		
(a) Accruals		
(i) Interest accrued on investments, loans & advances (Refer note 14.1)	20.94	7.84
TOTAL	20.94	7.84

14.1 Other Non Current Assets includes amount due from:

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
MT Education Services Pvt. Limited	18.40	6.54
TOTAL	18.40	6.54

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012			As at 31 March 2011		
	Quoted	Unquoted	TOTAL	Quoted	Unquoted	TOTAL
15 CURRENT INVESTMENTS						
Other current investments (At lower of cost and fair value, unless otherwise stated)						
(a) Investment in mutual funds						
Birla SL - Floating Rate ST - IP - DDR	-	108.86	108.86	-	-	-
Franklin Templeton India STI Plan - DDR	-	-	-	-	150.00	150.00
ICICI Prudential Flexible Income Plan	-	-	-	-	125.34	125.34
ICICI Prudential Blended Plan B	-	-	-	-	200.27	200.27
ICICI Prudential FMP Series 53 - 1 yr plan	-	-	-	-	100.00	100.00
IDFC Ultra Short Term Fund Monthly – Dividend	-	-	-	-	436.83	436.83
Reliance Fixed Horizon Fund - XVII - Series - I (G)	-	-	-	-	75.04	75.04
Reliance Fixed Horizon Fund - XV - Series - 8 (G)	-	-	-	-	215.58	215.58
Reliance Monthly Interval Fund - Series I – DP	-	-	-	-	84.48	84.48
Reliance Regular Saving Fund - Debt Growth	-	-	-	-	300.00	300.00
IDFC FMP - Monthly Series 30 - Dividend	-	-	-	-	50.47	50.47
Reliance Fixed Horizon Fund - XVIII - Series - 4 DO	-	-	-	-	250.00	250.00
Reliance Fixed Horizon Fund - XVIII - Series - 5 DP	-	-	-	-	200.00	200.00
DSP BlackRock Liquidity Fund - DDR	-	302.37	302.37	-	-	-
Reliance Liquid Plan - TP - IP - DDR	-	616.94	616.94	-	-	-
(b) Other investments	-	-	-	-	-	-
TOTAL - Other current investments			1,028.17			2,188.01
15.1. Aggregate provision for diminution (write down) in the value of other current investments			-			2.18

₹ in lakhs

Particulars	As at 31 March 2012		As at 31 March 2011	
16 TRADE RECEIVABLES				
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	414.64		105.44	
Doubtful	4.96		5.99	
	419.60		111.43	
Less: Provision for doubtful trade receivables	4.96		5.99	
	414.64		105.44	
Other Trade receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	248.30		414.66	
Doubtful	64.12		17.87	
	312.42		432.53	
Less: Provision for doubtful trade receivables	64.12		17.87	
	248.30		414.66	
TOTAL	662.94		520.10	

Notes forming part of the financial statements

16.1 Trade receivables include debts due from:

₹ in lakhs		
Particulars	As at 31 March 2012	As at 31 March 2011
Chitale's Personalised Learning Pvt. Ltd.	20.85	3.29
HT Learning Centers Ltd.	141.99	53.43
TOTAL	162.84	56.72

₹ in lakhs		
Particulars	As at 31 March 2012	As at 31 March 2011
17 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	8.65	8.92
(b) Balances with banks		
(i) In current accounts	260.30	232.64
(ii) In deposit accounts	1,488.14	1,801.76
(c) Others	-	-
TOTAL	1,757.09	2,043.32

₹ in lakhs		
Particulars	As at 31 March 2012	As at 31 March 2011
18 SHORT-TERM LOANS AND ADVANCES		
(a) Advances to Creditors	105.96	26.42
(b) Security deposits (Premises)	90.23	71.21
(c) Security deposits (Others)	1,109.00	3.64
(d) Loans and advances to related parties (Refer note 18.1)	-	1.00
(e) Loans and advances to employees	29.01	18.71
(f) Loans and advances to visiting faculty	54.21	38.51
(g) Loans and advances to Others (Refer note 18.2)	482.99	2.88
(h) Balances with government authorities		
Service Tax Credit Receivable	4.50	20.47
(i) Income Tax Paid	717.73	556.16
TOTAL	2,593.63	739.00

18.1 Short-term loans and advances include amounts due from:

₹ in lakhs		
Particulars	As at 31 March 2012	As at 31 March 2011
Other officers of the Company	-	1.00
TOTAL	-	1.00

18.2 ₹ 460.70 lakhs receivable from Selling Shareholder towards their share of IPO related expenses is included in Loans & Advances (Others)

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
19 OTHER CURRENT ASSETS		
(a) Prepaid Expenses	3.60	1.34
(b) Accruals		
Interest accrued on investments	0.09	27.66
TOTAL	3.69	29.00

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
20 REVENUE FROM OPERATIONS		
(a) Fees recognised	13,506.30	11,113.32
Less : Discount	(817.87)	(654.72)
Concession	(197.32)	(215.44)
TOTAL	12,491.11	10,243.16
(b) Other operating revenues		
Government Grants	288.63	235.47
Others	52.46	45.40
TOTAL - Other operating revenues	341.09	280.87

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
21 DIRECT EXPENSES		
Rent, Rates & Taxes	1,899.82	1,794.23
Electricity	457.59	393.27
Study Material Charges	630.90	553.35
Student Stipend Expenses (Refer note 21.1)	64.78	-
Bandwidth Charges	29.29	-
Visiting Lecturer Fees	3,673.77	2,768.14
TOTAL	6,756.15	5,508.99

21.1 A part of the government grant in relation to projects undertaken by the Company includes amount to be paid to the students who are enrolled under the Government scheme, in the form of stipend.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
22 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,551.28	1,299.56
Contributions to provident and other funds	47.83	14.43
Expense on employee stock option (ESOP) scheme (Refer Note 26.7.5)	73.63	-
Staff related expenses	87.97	35.24
TOTAL	1,760.71	1,349.23

Notes forming part of the financial statements

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
23 OTHER EXPENSES		
Administration Expenses		
Loss on Sale / Relocation of Assets	39.69	138.48
Miscellaneous Expenses	110.14	107.91
Repairs & Maintenance	201.11	157.00
Professional fees	227.56	168.92
Telephone & Internet	105.88	102.41
Travelling & Conveyance Expenses	186.65	114.67
Printing & Stationery	56.90	38.29
Security Charges	57.03	46.71
Bad Debts	59.26	0.74
Provision for Bad & Doubtful Debts	69.01	23.86
Donation	31.77	30.48
Seminar & Training Expenses	23.48	47.95
Postage, Courier & Transport Charges	10.00	14.92
Auditor's Remuneration (Refer note 23.1)	18.35	16.55
Amount Written off	26.85	36.91
Insurance Expenses	13.01	12.86
Provision for Diminution in Current Investment	(2.18)	2.18
Equipment Hire Charges	18.32	13.22
Director's Sitting Fees	7.55	0.00
Bank charges and Commission	7.19	9.39
(A)	1,267.57	1,083.45
Selling Expenses		
Advertisement & Publicity	655.99	644.05
Sales Promotion	10.49	9.10
(B)	666.48	653.15
(A+B)	1,934.05	1,736.60

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
23.1 (i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
For statutory audit	10.25	8.25
For taxation matters	0.90	-
For management services	7.20	8.30
(A)	18.35	16.55
For IPO related services	15.00	-
(B)	15.00	-
(A+B)	33.35	16.55

The payments to auditors in relation to IPO Expenses have been included in Share Issue Expenses.

Notes forming part of the financial statements

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
24 FINANCE COSTS		
Interest on Bank Overdraft / Term Loan	4.79	0.22
Other Interest	-	-
TOTAL	4.79	0.22

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
25 OTHER INCOME		
Interest income (Refer note 25.1)	167.55	130.88
Dividend income:		
from current investments	149.17	71.47
Net gain on sale of:		
current investments	1.82	0.96
long-term investments	65.01	7.50
Net gain on foreign currency transactions and translation	20.78	(3.09)
Other non-operating income (Profit on Sale of Assets)	0.16	-
TOTAL	404.49	207.72

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
25.1 Interest income comprises:		
Interest from banks on:		
deposits	148.19	104.13
other balances	14.56	26.75
Interest on income tax refund	4.80	-
TOTAL - Interest Income	167.55	130.88

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
26.1 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Income Tax Demand (Refer note 26.1.1)	111.25	57.48
(b) Guarantees given by Bank for Govt. Project (Refer note 26.1.2)	100.00	21.00
(c) Other money for which the Company is contingently liable	-	-

26.1.1 The Company has filed an appeal with the Commissioner of Income Tax (Appeal) [CIT (A)] against the demand raised by ACIT-10(3), Mumbai, U/s 143(3) of Income Tax Act, 1961 for ₹ 111.25 lakhs, for the A.Y. 2007-08 vide Assessment Order dated 24 December 2009.

26.1.2 Guarantee issued by bank on behalf of the Company is for the Projects undertaken by the Company with certain entities associated with the Government of India & the State Governments.

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26.2 Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,815.23	124.79
Intangible assets	54.12	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (Refer note 26.2.1)	-	-

26.2.1 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

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

₹ in lakhs

Particulars	2011-12	2010-11
26.4 Disclosure of additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956.		
(i) Turnover	Nil	Nil
(ii) Stock of Goods	Nil	Nil
(iii) Value of Imports on C.I.F. Value	Nil	Nil
(iv) Expenditure in Foreign Currency	Nil	Nil
(v) Import of Finished Goods	Nil	Nil
(vi) Expenditure in Foreign Currency during the Financial Year on account of Royalty, Know-how, Professional & Consultancy Fees, Interest and other Matters.	Nil	Nil
(vii) F.O.B. Value of Export Sales/Services (In Arab Emirates Dirham)	21.38	10.53
(viii) Amount remitted in Foreign Currency during the year on account of dividends	Nil	Nil

Notes forming part of the financial statements

₹ in lakhs		
Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
26.5 Earnings per share		
26.5.1 Basic		
Net profit / (loss) for the year from continuing operations	1,376.73	825.80
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	1,376.73	825.80
Weighted average number of equity shares	35,021,910	34,351,020
Par value per share	10	10
Earnings per share from continuing operations - Basic	3.93	2.40
26.5.2 Diluted		
Net profit / (loss) for the year from continuing operations	1,376.73	825.80
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	1,376.73	825.80
Profit / (loss) attributable to equity shareholders (on dilution)	1,376.73	825.80
Weighted average number of equity shares for Basic EPS	35,021,910	34,351,020
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	202,374	-
Weighted average number of equity shares - for Diluted EPS	35,224,284	34,351,020
Par value per share	10	10
Earnings per share from continuing operations - Diluted	3.91	2.40

₹ in lakhs		
Particulars	As at 31 March 2012	As at 31 March 2011
26.6 Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	-	-
On expenditure deferred in the books but allowable for tax purposes	-	-
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	-	-
Others	-	-
Tax effect of items constituting deferred tax liability	-	-
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	14.38	10.33
Provision for doubtful debts / advances	22.41	7.74
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	19.06	4.31
On difference between book balance and tax balance of fixed assets	353.24	289.16
Unabsorbed depreciation carried forward	-	-
Brought forward business losses	-	-
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	-	0.11
Others	-	1.03
Tax effect of items constituting deferred tax assets	409.09	312.68
Net deferred tax (liability) / asset	409.09	312.68

Notes forming part of the financial statements

26.7 Employee Stock Option Scheme

26.7.1 In the extraordinary general meeting held on 13 April 2011, the shareholders approved the issue of 140,886 options under the Scheme titled "ESOP 2011-I".

The ESOP 2011-I allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

The exercise price of each option is ₹ 10. On 2 June 2011 the options granted have been exercised and converted into 140,886 equity shares.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense has been expensed to profit and loss statement since there was no vesting period.

26.7.2 In the extraordinary general meeting held on 13 April 2011, the shareholders approved the issue of 272,912 options under the Scheme titled "ESOP 2011-II".

The ESOP 2011-II allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

During the current year, the Company has granted 272,912 options under the "ESOP 2011-II" to eligible employees of the Company.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense has been expensed to profit and loss statement on a time proportion basis over the vesting period.

The vesting period of options "ESOP 2011-II" are as follows

Date Of Vesting	Percentage of Options granted under ESOP 2011- II		
	Category-I	Category-II	Other Employees
30 September 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%
30 September 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%
30 September 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%

₹ in lakhs

Particulars	During the year ended 31 March 2012	During the year ended 31 March 2011
	Options (Numbers)	Options (Numbers)
26.7.3 Employee stock options details as at the Balance Sheet date are as follows:		
Option outstanding at the beginning of the year:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	-	-
Granted during the year:		
- ESOP 2011 -I	140,886	-
- ESOP 2011 -II	272,912	-
Vested during the year:		
- ESOP 2011 -I	140,886	-
- ESOP 2011 -II	-	-
Exercised during the year:		
- ESOP 2011 -I	140,886	-
- ESOP 2011 -II	-	-
Lapsed during the year:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	-	-
Options outstanding at the end of the year:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	272,912	-
Options available for grant:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	-	-

Weighted Average Exercise Price for "ESOP -2011 -I" is ₹ 10 per option.

Notes forming part of the financial statements

26.7.4 The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31 March 2012	31 March 2011
Risk Free Interest Rate	8.30%	NA
Expected Life (Years)	1.91	NA
Expected Annual Volatility of Shares	33%	NA
Expected Dividend Yield	Nil	NA

26.7.5 Expenses arising from stock option plan during the year / period

₹ in lakhs		
Particulars	31 March 2012	31 March 2011
ESOP 2011-I	36.57	-
ESOP 2011-II	37.06	-
TOTAL	73.63	-

₹ in lakhs		
Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
26.8 Lease Payments		
The Company has entered into operating lease arrangements for certain facilities and Coaching Center premises. The leases are over a period of 2 to 10 years and may be renewed for a further period on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	1,754.90	1,626.54

26.9 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 recognised 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.

26.10 The Company operates in one business segment hence the reporting requirement pertaining to Accounting Standards 17 on "Segment Reporting" are not applicable.

26.11 The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

26.12 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 March 2012	Maximum balance outstanding during the year
MT Education Services Pvt. Limited	Subsidiary	1.79	1.79

Notes forming part of the financial statements

26.13 Related party transactions

26.13.1 Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Chitale's Personalised Learning Pvt. Limited (CPLPL) , MT Education Services Pvt. Limited (MTESPL)
Joint Venturer of Subsidiary	HT Learning Centres Limited
Key Management Personnel (KMP)	Mahesh R. Shetty
Enterprises in which KMP can exercise significant influence (KMP Entities)	Mahesh Tutorials Chembur, Mahesh Tutorials Mulund, Global Education Trust
Relatives of KMP	Kalathur Shetty , Lalitha Shetty , Roopa Shetty.

Note: Related parties have been identified by the Management.

	Subsidiaries	Joint Venturer of Subsidiary	KMP	KMP Entities
26.13.2 Details of related party transactions during the year ended 31 March 2012 and balances outstanding as at 31 March 2012: (₹ in lakhs)				
Management Consultancy - Chitale's Personalised Learning Pvt. Ltd.	27.72 [3.31]			
Professional Services Rendered - HT Learning Centers Limited		80.95 [47.15]		
Directors Remuneration - Mr. Mahesh Shetty			90.00 [48.24]	
Dividend (Financial Year 2010-11)			67.83 [-]	
Rent - Mr. Mahesh Shetty			7.29 [5.29]	
Rent - Mahesh Tutorials Chembur				71.77 [71.77]
Rent - Mahesh Tutorials Mulund				23.79 [23.79]
Deposit for Premises – Mr. Mahesh Shetty			2.40 [-]	
Interest on Debentures - MT Education Services Pvt. Ltd.	13.18 [6.91]			
Donation - Global Education Trust				30.21 [28.92]
Investment in shares - MT Education Services Pvt. Ltd.	1.01 [-]			
Debentures - MT Education Services Pvt. Ltd.	155.00 [75.00]			
Reimbursement of Expenses / Utilisation of Facilities - Chitale's Personalised Learning Pvt. Ltd.	13.62 [-]			
Balances outstanding at the end of the year				
Interest on Debentures - MT Education Services Pvt. Ltd.	18.40 [6.54]			
Management Consultancy - Chitale's Personalised Learning Pvt. Ltd.	10.37 [3.28]			

Notes forming part of the financial statements

	Subsidiaries	Joint Venturer of Subsidiary	KMP	KMP Entities
Reimbursement of Expenses / Utilisation of Facilities - Chitale's Personalised Learning Pvt. Ltd.	13.62 [-]			
Investment in 6% NCD	330.00 [175.00]			
Loan Given – MT Education Services Pvt. Ltd.	1.79 [0.17]			
Deposit for Premises – Mr. Mahesh Shetty			7.47 [5.07]	
Deposit for Premises – Mahesh Tutorials Chembur				29.75 [29.75]
Deposit for Premises – Mahesh Tutorials Mulund				11.28 [11.30]
Professional Services Rendered & Debit Notes for Expenses - HT Learning Centers Limited		141.99 [53.42]		

Note: Figures in brackets relates to the previous year

26.14 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 47.83 lakhs (Year ended 31 March 2011 ₹ 14.43 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

₹ in lakhs		
Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Components of employer expense		
Current service cost	13.55	58.86
Interest cost	6.97	5.16
Expected return on plan assets	(1.38)	(0.60)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	9.22	(1.22)
Total expense recognised in the Statement of Profit and Loss	28.36	62.20
Actual contribution and benefit payments for year		
Actual Benefit Payments	-	-
Actual Contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(115.50)	(87.13)
Fair value of plan assets	17.23	17.23
Funded status [Surplus / (Deficit)]	(98.27)	(69.90)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(98.27)	(69.90)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	87.13	24.16

Notes forming part of the financial statements

₹ in lakhs

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Current service cost	13.55	58.86
Interest cost	6.97	5.16
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	7.84	(0.78)
Past service cost	-	-
Benefits paid	-	(0.27)
Present value of DBO at the end of the year	115.50	87.13
Change in fair value of assets during the year		
Plan assets at beginning of the year	17.23	7.51
Acquisition adjustment	-	-
Expected return on plan assets	1.38	0.60
Actual company contributions	-	8.95
Actuarial gain / (loss)	(1.38)	0.44
Benefits paid	-	(0.27)
Plan assets at the end of the year	17.23	17.23
Actual return on plan assets	-	1.04
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	17.23	17.23
Actuarial assumptions		
Discount rate	8.25%	8.00%
Expected return on plan assets	8.60%	8.00%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%
Mortality tables	LIC (1994-96) Ultimate table.	LIC (1994-96) Ultimate table.
Estimate of amount of contribution in the immediate next year	62.61	19.68

Experience adjustments

Gratuity	2011-12	2010-11
Present value of DBO	-	-
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Experience gain / (loss) adjustments on plan liabilities	8.81	1.51
Experience gain / (loss) adjustments on plan assets	(1.38)	0.44

Actuarial assumptions for long-term compensated absences

	For the year ended 31 March 2012	For the year ended 31 March 2011
Discount rate	8.25%	8.00%
Expected return on plan assets	-	-
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes forming part of the financial statements

27 EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Company approached the capital market with its maiden Public Issue of 1,23,75,000 Equity Shares of face value of ₹10 each for cash at a price of ₹ 80 per equity share (including a share premium of ₹ 70 per equity share) aggregating to ₹9,900 lakhs consisting of a fresh issue of 4,375,000 Equity Shares aggregating to ₹ 3,500 lakhs (The "Fresh Issue") and an Offer for Sale of 8,000,000 Equity Shares by Helix Investments Company (The "Selling Shareholder") aggregating to ₹ 6,400 lakhs (The "Offer For Sale" and together with the Fresh Issue, the "Issue"). The Issue constituted 31.29% of the Post-Issue paid-up Equity Share capital of the Company.

The Bid/Issue opened for subscription on 27 March 2012 and closed on 29 March 2012 in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations"). The floor price for the Issue was fixed at ₹ 74 per Equity Share of ₹ 10 each and the Cap Price was fixed at ₹ 80 per Equity Share of ₹ 10 each.

The Anchor Investor Bid/Issue opened and closed on 26 March 2012. The Company received applications from 2 Anchor Investors for 2,702,720 Equity shares at a Price of ₹ 74 per share amounting to ₹ 2,000 lakhs in the Escrow account. The Anchor Investors were allocated 1,737,914 shares.

The Issue was oversubscribed to the extent of 4.907 times (excluding the Anchor Portion) as per the Bid data after removing multiple and duplicate bids and before technical rejections. After considering the cheque returns, withdrawals and technical / multiple rejections cases, the Issue was subscribed 4.887 times (excluding the Anchor Portion).

After the closure of the Issue, the Company in consultation with the Book Running Lead Manager finalised the Issue price at ₹ 80 per Equity Share for all investors (including Anchor Investors).

As of 31 March 2012, the Company has issued 4,375,000 Fresh Equity shares for subscription aggregating to ₹ 3,500 lakhs.

All activities post closure of the Issue viz. receiving of provisional & final certificates from the Escrow banks, reconciliation of bid files received from the stock exchanges and bank schedules received from the escrow bankers, technical rejections, finalisation of basis of allotment, application for listing of Equity shares with the Stock Exchanges, transfer of funds from Escrow account to public issue account, allotment of Equity Shares etc. were carried out between 2 April 2012 and 10 April 2012 and accordingly as of 31 March 2012 the said 4,375,000 fresh Equity shares are shown as 'Shares issued but not subscribed'.

As per the Final certificates issued by the Escrow Collection Banks, SCSBs (Syndicate ASBA) and SCSBs, 6,962 applications for 54,746,560 Equity Shares have been received and the amount collected / blocked was ₹ 4,363.87 lakhs.

After considering the rejections & withdrawals, there were 6,841 valid applications for 54,684,240 Equity shares.

The basis of allotment was approved in the IPO committee meeting of the Company held on 9 April 2012 and the allotment of Shares was done in the meeting of the Board of Directors of the Company held on 10 April 2012.

Based on the basis of allotment as approved by the BSE Limited (Designated Stock Exchange") 12,375,000 Equity shares were allotted to 6,193 applicants.

On allotment, the issued, subscribed and paid-up capital of the Company increased to ₹ 395,478,720 divided into 39,547,872 Equity Shares of ₹ 10 each, fully paid-up.

The summary of Allotment is as under:

Category	Valid Shares Received in Each Category	No. of Equity Shares Reserved (As per Prospectus)	Equity Shares Allotted
Anchor Portion	2,702,720	1,737,914	1,737,914
Qualified Institutional Bidders (At least 50% of the Issue)	27,785,520	4,449,586	4,449,586
Retail Investors (Not less than 35% of the Issue)	9,442,160	4,331,250	4,331,250
Non Institutional Investors (Not less than 15% of Issue)	14,753,840	1,856,250	1,856,250
TOTAL	54,684,240	12,375,000	12,375,000

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

For and on behalf of the Board of Directors

Sanjiv B Mehta
Partner
Membership No. : 034950

Mahesh R. Shetty
Chairman & Managing Director

Dr. Chhaya Shastri
Director

Place : Mumbai
Date : 26 May, 2012

Anup Gandhi
Chief Financial Officer

Ashwin Patel
Company Secretary

Auditors' Report

To Board of Directors

MT EDUCARE LIMITED

1. We have audited the attached Consolidated Balance Sheet of **MT EDUCARE LIMITED** ("the Company") (Earlier **MT EDUCARE PRIVATE LIMITED**) and its subsidiaries (collectively as "the MT Group"), as at 31st March, 2012, the Consolidated Statement of Profit and Loss & the Consolidated 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. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies.
4. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company and the subsidiaries and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and a fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the State of the Affairs of the MT Group as at 31st March, 2012;
 - b) in the case of the Consolidated Statement of Profit & Loss, of the Profit of the MT Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the MT Group for the year ended on that date.

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

Sanjiv B Mehta
Partner

Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

Consolidated Balance Sheet as at 31 2012

₹ in lakhs

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,517.29	3,435.10
(b) Reserves and surplus	4	2,194.55	1,325.67
		5,711.84	5,711.84
2 Share application money pending allotment	27	-	-
3 Minority Interest		6.35	45.78
4 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	3.71
(c) Other long-term liabilities	5	533.01	343.92
(d) Long-term provisions	6	72.50	101.73
		605.51	449.36
5 Current liabilities			
(a) Short-term borrowings	7	-	450.00
(b) Trade payables	8	112.32	113.75
(c) Other current liabilities	9	5,162.92	3,961.94
(d) Short-term provisions	10	1,382.22	807.95
		6,657.46	5,333.64
TOTAL (1+2+3+4+5)		12,981.16	10,589.55
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.1	2,841.72	2,970.31
(ii) Intangible assets	11.2	226.98	307.58
(iii) Capital work-in-progress	11.3	1,535.72	91.42
(iv) Intangible assets under development	11.4	101.84	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments	12	330.31	175.49
(c) Deferred tax assets (net)	26.6	409.09	312.68
(d) Long-term loans and advances	13	1,389.36	1,044.21
(e) Other non-current assets	14	2.54	7.84
(f) Goodwill on Consolidation		64.96	58.09
		6,902.52	4,967.62
2 Current assets			
(a) Current investments	15	1,068.34	2,270.30
(b) Inventories		-	-
(c) Trade receivables	16	644.80	517.92
(d) Cash and cash equivalents	17	1,762.26	2,065.12
(e) Short-term loans and advances	18	2,599.55	739.39
(f) Other current assets	19	3.69	29.20
		6,078.64	5,621.93
TOTAL (1+2)		12,981.16	10,589.55
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2012

₹ in lakhs

Particulars	Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
1 Fees	20	12,715.34	10,269.94
Operating income	20	342.01	281.10
Revenue from operations (Net)		13,057.35	10,551.04
2 Expenses			
Direct Expenses	21	6,977.15	5,550.60
Personnel	22	1,798.68	1,354.47
Other Expenses	23	1,971.13	1,744.34
TOTAL		10,746.96	8,649.41
3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		2,310.39	1,901.63
4 Finance costs	24	4.79	0.22
5 Depreciation and amortisation expense	11	781.63	830.29
6 Other income	25	396.75	211.10
7 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4 - 5 + 6)		1,920.72	1,282.22
8 Exceptional items		-	-
9 Profit / (Loss) before extraordinary items and tax (7 + 8)		1,920.72	1,282.22
10 Extraordinary items		-	-
11 Profit / (Loss) before tax (9 + 10)		1,920.72	1,282.22
12 Tax expense:			
(a) Current tax expense for current year		731.00	576.00
(b) Current tax expense relating to prior years		5.85	-
(c) Net current tax expense (a+b)		736.85	576.00
(d) Deferred tax		(100.12)	(91.59)
13 Profit / (Loss) for the year (11-12)		1,283.99	797.81
14 Prior Period Items		0.01	-
Minority interest		(39.19)	(13.71)
15 Profit / (Loss) for Appropriation (13 + 14)		1,323.19	811.52
16 i Earnings per share (of ₹10 each):	26.5		
(a) Basic		3.78	2.36
(b) Diluted		3.76	2.36
16 ii Earnings per share (excluding extraordinary items) (of ₹ 10 each):	26.5		
(a) Basic		3.78	2.36
(b) Diluted		3.76	2.36
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No.: 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2012

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before extraordinary items and tax	1,920.72	1,282.22
Adjustments for:		
Depreciation and amortisation	781.63	830.29
Expense on employee stock option scheme	73.63	-
Finance costs	4.79	0.22
Interest income	(154.56)	(130.88)
Dividend income	(154.42)	(71.76)
Net (gain) / loss on sale of investments	(66.83)	(8.46)
Net (gain) / loss on sale of fixed assets	39.53	138.48
Adjustments to the carrying amount of investments	(2.18)	2.18
Provision for Gratuity	31.86	53.25
Provision for doubtful trade receivables, loans and advances	69.01	23.86
Amount Written Off	-	38.58
Provision for leave encashment	13.36	9.52
Net unrealised exchange (gain) / loss	(20.78)	3.09
Operating cash flow before working capital changes	2,535.76	2,170.59
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(199.04)	(460.69)
Short-term loans and advances	(1,303.35)	(192.94)
Long-term loans and advances	349.64	(51.11)
Other current assets	(1.75)	17.20
Inventories	-	5.15
Other non-current assets	-	(7.36)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1.43)	103.85
Other current liabilities	802.39	56.89
Other long-term liabilities	189.10	190.03
Short-term provisions	478.02	228.63
Long-term provisions	-	22.31
	(642.46)	(88.04)
	1,893.30	2,082.55
Cash flow from extraordinary items	-	-
Cash generated from operations	1,893.30	2,082.55
Net income tax (paid) / refunds	(683.11)	(630.04)
Net cash flow from / (used in) operating activities (A)	1,210.19	1,452.51
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances (Net of proceeds on sale)	(2,007.65)	(689.03)
Current investments not considered as Cash and cash equivalents	1,272.52	(554.92)
Purchase of long-term investments		
- Equity Shares in Subsidiaries / Joint Ventures	(156.01)	-
- Debentures in Subsidiaries	-	-
Interest received	176.90	130.88
Dividend on MF received	155.73	68.58
Dividend on Shares received	0.02	0.02
Purchase of Business	-	-
Net cash flow from / (used in) investing activities (B)	(558.49)	(1,044.47)

Consolidated Cash Flow Statement for the year ended 31 March 2012

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	82.19	-
Security Deposit To Stock Exchanges	(99.00)	-
Repayment of other short-term borrowings	(450.28)	445.50
Share Issue Expenses	(320.66)	-
Finance cost	(6.13)	(0.22)
Dividends paid	(140.69)	-
Tax on dividend	(22.82)	-
	(957.39)	445.28
Cash flow from extraordinary items	-	-
Net cash flow from / (used in) financing activities (C)	(957.39)	445.28
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(305.69)	853.32
Cash and cash equivalents at the beginning of the year	2,065.12	1,188.02
Cash and cash equivalents added on acquisition	0.22	24.65
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	2.61	(0.87)
Cash and cash equivalents at the end of the year	1,762.26	2,065.12
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	1762.26	2065.12
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	1,762.26	2,065.12
Add: Current investments considered as part of Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	1,762.26	2,065.12
Comprises:		
(a) Cash on hand	8.84	9.09
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	265.28	254.27
(ii) In EEFC accounts	-	-
(iii) In deposit accounts with original maturity of less than 3 months	1,488.14	1,801.76
(iv) In earmarked accounts	-	-
(d) Others	-	-
(e) Current investments considered as part of Cash and cash equivalents	-	-
	1,762.26	2,065.12
Notes:		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.		
See accompanying notes forming part of the financial statements		

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No. : 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Notes forming part of the financial statements

1 CORPORATE INFORMATION

- 1.1 MT Educare Limited (earlier MT Educare Private Limited) ('MTEL' or 'the Company') was incorporated under the Companies Act, 1956 on 19 August 2006 and is an education support and coaching services provider for students in the secondary and higher secondary school and for students pursuing graduation degree in commerce, preparing for various competitive examinations and undertaking chartered accountancy examinations.

The Company is now a public limited company and has received fresh certificate of incorporation dated 18 May 2011. Thereon, it has changed its name from MT Educare Private Limited to MT Educare Limited.

The Company has acquired 51% of the paid-up Equity Share Capital of Chitale's Personalised Learning Pvt. Limited (CPLPL), which is engaged in the business of providing coaching for competitive examinations for admissions to universities offering masters in business administration degrees. Chitale's Personalised Learning Pvt. Limited (CPLPL) is a subsidiary of the Company.

As of 31 March 2011, the Company was holding 18% of the paid-up share capital of MT Education Services Pvt. Limited (MTESPL). It has subsequently, on 7 April 2011 acquired the balance 82% shares from its existing shareholders, thereby making MT Education Services Pvt. Limited (MTESPL), a wholly owned subsidiary of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

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 recognises income and expenditure on accrual basis. All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purposes of classification of assets and liabilities into current and non-current.

2.2 Principles of Consolidation

The consolidated financial statements are prepared under historical conversions and on an accrual basis of accounting, in accordance with Indian GAAP and the relevant provisions of the Companies Act, 1956, including the applicable Accounting Standards.

The financial statements of the Company, subsidiaries have been consolidated in accordance with Accounting Standard 21 (AS 21) issued by Institute of Chartered Accountants of India (ICAI), and using uniform accounting policies for similar transactions and other events in similar circumstances to the extent wherever practicable. The consolidated financial statements have been prepared on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.

Any excess of the cost of Company of its investment in the subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognised in the financial statements as "Goodwill on Consolidation" and carried forward in the accounts. Goodwill is not amortised, however, it is tested for impairment at each balance sheet date and any impairment, if applicable, is provided for. Alternatively, where the share of the equity in the subsidiaries as on the date of investments is in excess of cost of investment of our Company, it is recognised as "Capital Reserve on Consolidation" The net amount of Capital Reserve after setoff of the Goodwill amount is presented under "Reserve and Surplus".

2.3 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.

2.4 Cash and cash equivalents

Cash comprises cash on hand, bank balances and demand deposits with banks.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and Amortisation

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. Depreciation on RFID Assets is provided at the rate of 60.00% p.a. on Written Down Value Method.

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%.

Notes forming part of the financial statements

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.

2.7 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.

2.8 Revenue recognition

Revenue is recognised 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 recognised 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.

Upfront fee received from franchisees as brand fees is recognised as income over the period of the agreement.

Commission or royalty received from the franchisees is recognised as per the terms of agreements entered into with them.

The Company has adopted Income Approach to recognise Government Grants. As per AS 12 on Government Grants issued by ICAI, Government Grants should be recognised in the P & L statement on a systematic and rational basis over the periods necessary to match them with the related costs.

Interest is recognised using the time-proportion method.

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

2.9 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 capitalised 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 31 March 2012.

In case of centers closed down or relocated during the period, Written Down Value of leasehold improvements / fixtures as on the date on which the centre is closed down / relocated are fully written off.

2.10 Intangible assets

An intangible asset is recognised, 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 amortisation. Amortisation of 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) A period of 3 years on non-compete fees and Technology Aided Teaching (TAT).
- (ii) A period of 3 years on goodwill, based on management's current estimate of useful life of the asset.
- (iii) A period of 5 years on ERP - SAP Software.
- (iv) A period of 5 years on purchase of Software License for Online teaching.

Expenses incurred on in-house development of courseware and content are shown as Capital Work In Progress till the time they have been put to use. They shall be capitalised 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.

2.11 Foreign currency transactions and translations

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising on subsequent settlement of such transactions are accounted as income or expenses in the period in which they are settled and arise.

The accounts of the branch are consolidated by integral system of branch accounting. Transactions for a month are translated using the exchange rate prevailing at the end of the month, which approximates the average exchange rate. Any exchange gain / (loss) arising on the translation of the financial statement is taken to the P & L Account.

2.12 Government Grants, subsidies and export incentives

The Company has adopted Income Approach to recognise Government Grants. As per AS 12 on Government Grants issued by ICAI, Government Grants should be recognised in the P & L 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 P & L Account. An appropriate amount in respect of such grant, recognising the amount of grant over the

Notes forming part of the financial statements

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.

2.13 Investments

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

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

2.14 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 recognised as expense in the P & L account during the period in which the employee renders the related services. The Company has no other obligation to the plans beyond its monthly contributions.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

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, premiums in respect of all qualifying employees to Life Insurance Corporation of India (LIC) for the Employees' Group Gratuity-cum-Life Assurance Scheme. 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 recognised in full in the P & L Account for the period in which they occur.

The yearly premium payable to LIC is charged to P & L Account.

C. Leave Entitlement

The Company has a policy of paying Leave Encashment benefits to its employees only in the event of their resignation or retirement, 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.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.15 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 geographical (secondary) segment, since segment assets and segment revenue do not exceed 10% of total business, segment reporting is not required.

2.16 Leases - 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 recognised as an expense in the P & L 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 capitalised and added to the cost of leasehold improvements.

2.17 Earnings per share

Basic Earnings Per Share is calculated by dividing the Net Profit 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, granting and vesting employee stock options to employees. For the purpose of calculating diluted earnings per share, the net profit 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.

Notes forming part of the financial statements

2.18 Taxes on income

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 recognised, 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 recognised 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 realised.

2.19 Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event and 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 recognised but are discussed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
3 SHARE CAPITAL				
(a) Authorised				
Equity shares of ₹ 10 each	42,000,000	4,200.00	35,000,000	3,500.00
(b) Issued (Refer note 3.1)				
Equity shares of ₹ 10 each	39,547,872	3,954.79	34,351,020	3,435.10
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each	35,172,872	3,517.29	34,351,020	3,435.10
TOTAL	35,172,872	3,517.29	34,351,020	3,435.10

- 3.1 The Company came out with its Initial Public Offer (IPO) on 27 March 2012. The closing date for the issue was 29 March 2012 and the final subscription & allotment was completed on 10 April 2012. 4,375,000 Equity shares have been issued but not subscribed as at 31 March 2012.
- 3.2 The Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.
- 3.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 3.4 The Company has reserved 272,912 Equity shares for issuance of ESOP 2011 -II Scheme.
- 3.5 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended 31 March 2012		Year ended 31 March 2011	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Opening Balance	34,351,020	3,435.10	1,040,940	104.09
Add:				
Bonus	-	-	33,310,080	3,331.01
ESOP (Refer note 26.7.1)	140,886	14.09	-	-
Issue (Refer Note 3.5.1)	680,966	68.10	-	-
CLOSING BALANCE	35,172,872	3,517.29	34,351,020	3,435.10

Notes forming part of the financial statements

3.5.1 The Company has established MT Associates Trust (the "Associate Trust"), an individual irrevocable trust by means of a trust deed dated 13 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 organise 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 Board and Shareholders' resolutions dated 8 April 2011 and 13 April 2011, respectively and the Trust Deed, the Company has on 2 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.

Our Company through its board of Directors, and in consultation with the head of the department of human resources, shall, from time to time, identify the Trust Beneficiaries who are entitled to receive Trust Shares. The Trust Beneficiaries identified by our Company and communicated to the Trustee by our Board of Directors, shall be provided a grant letter by the Trustee, containing the details of the number of Trust Shares to which such Trust Beneficiary is entitled and the manner in which such Trust Shares will be transferred to such Trust Beneficiary. As at Balance Sheet Date, grant letters had been issued to the Beneficiaries in relation to 297,466 shares.

3.6 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2012		As at 31 March 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahesh R. Shetty	16,956,885	48.21	16,956,885	49.36
Helix Investments Company	10,075,032	28.64	10,075,032	29.33

3.7 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March 2012	As at 31 March 2011
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (Refer note 3.7.1)	34,177,530	34,177,530
Shares bought back	-	-

3.7.1 Out of the above, 867,450 equity shares were issued as bonus in the ratio of 5:1 in 2009-10 and 33,310,080 bonus equity shares were issued in the ratio of 32:1 in 2010-11

₹ in lakhs		
Particulars	As at 31 March 2012	As at 31 March 2011
4 RESERVES AND SURPLUS		
(a) Securities premium account		
Opening balance	-	3,194.11
Add : Premium on shares issued during the year (Refer Note 4.1)	36.57	-
Less : Utilised during the year for issuing bonus shares	-	3,194.11
Closing Balance	36.57	-
(b) Share options outstanding account		
Opening Balance	-	-
Add: Amounts recorded on grants/modifications/cancellations during the year	78.30	-
Less: Written back to Statement of Profit and Loss during the year	-	-
Less: Transferred to Securities premium account	-	-
	78.30	-

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
4 RESERVES AND SURPLUS (CONTD.)		
Less: Deferred stock compensation expense	41.24	-
Closing balance	37.06	-
(c) General reserve		
Opening Balance	1,325.67	814.56
Add: Transferred from surplus in Statement of Profit and Loss	1,116.35	648.01
Less: Utilised / transferred during the year for issuing bonus shares	-	(136.90)
Less: Share of profit/(loss) Pre- acquisition	(1.47)	-
Less: Share of gratuity adjustment	(0.25)	-
Add: Income Tax refund (Refer note 4.2)	25.44	-
Less: IPO Expense (Refer note 4.3)	(344.82)	-
Closing Balance	2,120.92	1,325.67
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	-	-
Add: Profit / (Loss) for the year	1,323.19	811.52
Amounts transferred from reserves	-	-
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ 0.45 per share)	177.97	140.69
Tax on dividend	28.87	22.82
Transferred to:		
Gratuity fund	-	-
General reserve	1,116.35	648.01
Closing Balance	-	-
TOTAL	2,194.55	1,325.67

- 4.1** Share Premium of ₹ 36.57 lakhs has arisen on issue of 140,886 shares as ESOP 2011-I to the employees. The shares have been issued at the face value of ₹ 10 against the fair market value of ₹ 35.96 arrived at after adopting the Black-Scholes method. The share premium is realised as other than cash.
- 4.2** The income tax refund has been credited to the reserve account as it pertains to income tax refunds received for the partnerships firms succeeded by private limited companies which amalgamated with the Company with retrospective effect from 1 April 2008 pursuant to a Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature at Bombay.
- 4.3** The IPO expenses debited to the reserve are net of reimbursement to be received from Selling Shareholder as part of their share in the total IPO expenses.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
5 OTHER LONG-TERM LIABILITIES		
(i) Advance Fees (Refer note 5.1)	533.01	316.42
(ii) Advance Received From Franchisees	-	27.50
TOTAL	533.01	343.92

- 5.1** Fee collected in advance from customers is classified as non-current in the event the revenue in respect of the same will not be recognised within a period of 12 months from the balance sheet date.

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
6 LONG-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for leave encashment	32.97	31.83
(ii) Provision for gratuity (net)	39.53	69.90
TOTAL	72.50	101.73

6.1 Provision for leave encashment and gratuity as at 31 March 2011 has been classified as non- current liability.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
7 SHORT-TERM BORROWINGS		
Loans repayable:		
From banks		
Secured (Refer note 7.1)	-	450.00
Unsecured	-	-
	-	450.00
From other parties		
Secured	-	-
Unsecured	-	-
	-	-
TOTAL	-	450.00

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
7.1 Loans repayable on demand from banks:		
Shamrao Vithal Co-op Bank Ltd. (Note 7.1.1)	-	450.00
TOTAL - from banks	-	450.00

7.1.1 Loan from Shamrao Vithal Co-op Bank was availed on margin against fixed deposits of ₹500.00 lakhs.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
8 TRADE PAYABLES		
Acceptances	-	-
Other than Acceptances		
Visiting Faculty Fees	102.99	106.46
Study Material	9.33	7.29
TOTAL	112.32	113.75

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
9 OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on borrowings	-	0.22
(b) Interest accrued and due on borrowings	-	-
(c) Advance Fees (Unearned revenue)	4,365.89	3,510.77
(d) Advance fees from franchisee	-	15.00
(e) Outstanding Expenses	487.45	244.23
(f) Other payables		
(i) Statutory Remittances	114.74	68.52
(ii) Trade Payables - Capital Expenditure	194.21	62.18
(iii) Others	0.63	61.02
TOTAL	5,162.92	3,961.94

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
10 SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for bonus	12.88	-
(ii) Provision for compensated absences	12.22	-
(iii) Provision for gratuity (net)	62.72	-
	87.82	-
(b) Provision - Others:		
(i) Provision for Expenses (Refer note 10.1)	356.56	68.44
(ii) Proposed dividend	177.97	140.69
(iii) Dividend Distribution Tax	28.87	22.82
(iv) Provision for Income Tax	731.00	576.00
	1,294.40	807.95
TOTAL	1,382.22	807.95

10.1 Provision for Expenses includes expenses related to Initial Public Offer (IPO) ₹ 197.17 lakhs.

Notes forming part of the financial statements

Particulars		Rate of Depreciation (%)	Gross Block			Depreciation			Net Block		
			As at 1 April 2011	Additions	Deductions	As at 31 March 2012	For The Year	Deductions	As at 31 March 2012	As at 31 March 2011	
11	FIXED ASSETS										
11.1	Tangible Assets										
	Building	5.00	680.08	-	-	680.08	30.40	-	577.56	607.96	
	Plant & Machinery	13.91	1,399.80	111.26	8.45	1,502.61	144.16	3.31	938.49	976.53	
	Computers	40.00	262.20	90.86	8.14	344.92	49.48	1.07	117.34	83.03	
	RFID	60.00	-	8.27	-	8.27	3.95	-	4.32	-	
	Furniture & Fixtures	25.88	2,696.13	309.88	56.94	2,949.07	375.71	27.52	1,193.90	1,289.15	
	Vehicles	25.89	29.34	-	-	29.34	3.51	-	10.03	13.54	
	Bicycle	20.00	0.27	-	-	0.27	0.02	-	0.08	0.10	
			5,067.82	520.27	73.53	5,514.56	607.23	31.90	2,841.72	2,970.31	
11.2	Intangible Assets										
	Goodwill										
	– Purchased	33.33	77.55	-	-	77.55	20.68	-	31.37	52.05	
	– Self Generated	100.00	59.92	-	-	59.92	-	-	-	-	
	TAT	33.33	294.65	32.08	-	326.73	102.07	-	86.68	156.67	
	Non Compete Fees	33.33	126.00	-	-	126.00	28.00	-	14.00	42.00	
	ERP - SAP Software	20.00	71.08	-	-	71.08	14.22	-	42.65	56.86	
	Trademark	100.00	0.10	-	-	0.10	-	-	-	-	
	INK Software	20.00	-	60.56	-	60.56	9.08	-	51.48	-	
	Others		-	1.16	-	1.16	0.35	-	0.80	-	
			629.30	93.80	-	723.10	174.40	-	226.98	307.58	
	TOTAL		5,697.12	614.07	73.53	6,237.66	781.63	31.90	3,068.70	3,277.89	
11.3	Capital WIP		91.42	1,916.68	472.38	1,535.72			1,535.72	91.42	
11.4	Intangible assets under development		-	101.84	-	101.84			101.84	-	

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012			As at 31 March 2011		
	Quoted	Unquoted	TOTAL	Quoted	Unquoted	TOTAL
12 NON-CURRENT INVESTMENTS						
Investments (At cost):						
A Trade						
(a) Investment in equity instruments						
Investment in Equity Shares of ₹10 each in HT Learning Centres Ltd.	-	330.00	330.00	-	175.00	175.00
1,250 Equity Shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	-	0.31	0.31	-	0.31	0.31
Investment in Equity Shares of ₹10 each in MT Education Services Pvt. Ltd.	-	-	-	-	0.18	0.18
	-	330.31	330.31	-	175.49	175.49
Less: Provision for diminution in value of investments	-	-	-	-	-	-
TOTAL			330.31			175.49
Aggregate amount of quoted investments			-			-
Aggregate market value of listed and quoted investments			-			-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			330.31			175.49

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
13 LONG-TERM LOANS AND ADVANCES		
(a) Advances	44.53	62.94
(b) Security deposits (Premises)	900.07	818.16
(c) Security deposits (Others)	252.16	15.57
(d) Loans and advances to related parties	-	0.17
(e) Loans and advances to employees	4.57	4.96
(f) Loans and advances to visiting faculty	30.30	31.70
(g) Loans and advances to others	66.77	28.63
(h) Advance income tax - ₹ 1067.30 lakhs (Previous year ₹ 722.84 lakhs) (net of provisions)		
- FBT	-	1.57
- Income tax	90.96	80.51
(i) Other loans and advances	-	-
TOTAL	1,389.36	1,044.21

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
14 OTHER NON-CURRENT ASSETS		
(a) Accruals		
Interest accrued on investments, loans & advances (Refer note 14.1)	2.54	7.84
(b) Unamortised expenses		
Share issue expenses	-	-
TOTAL	2.54	7.84

14.1 Other Non Current Assets includes amount due from:

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
MT Education Services Private Limited (Refer 14.1.1)	-	6.54
TOTAL	-	6.54

14.1.1 MT Education Services Private Limited became the subsidiary of the Company in the F.Y. 2011-12.

₹ in lakhs

Particulars	As at 31 March 2012			As at 31 March 2011		
	Quoted	Unquoted	TOTAL	Quoted	Unquoted	TOTAL
15 CURRENT INVESTMENTS						
Other current investments (At lower of cost and fair value, unless otherwise stated)						
(a) Investment in mutual funds						
Birla SL - Floating Rate ST - IP - DDR	-	108.86	108.86	-	-	-
Franklin Templeton India STI Plan - DDR	-	-	-	-	150.00	150.00
ICICI Prudential Flexible Income Plan	-	-	-	-	125.34	125.34
ICICI Prudential Blended Plan B	-	-	-	-	200.27	200.27
ICICI Prudential FMP Series 53 - 1 yr plan	-	-	-	-	100.00	100.00
IDFC Ultra Short Term Fund Monthly - Dividend	-	-	-	-	436.83	436.83
Reliance Fixed Horizon Fund - XVII - Series - I (G)	-	-	-	-	75.04	75.04
Reliance Fixed Horizon Fund - XV - Series - 8 (G)	-	-	-	-	215.58	215.58
Reliance Monthly Interval Fund - Series I - DP	-	-	-	-	84.48	84.48
Reliance Regular Saving Fund - Debt Growth	-	-	-	-	300.00	300.00
IDFC FMP - Monthly Series 30 - Dividend	-	-	-	-	50.47	50.47
Reliance Fixed Horizon Fund - XVIII - Series - 4 DO	-	-	-	-	250.00	250.00
Reliance Fixed Horizon Fund - XVIII - Series - 5 DP	-	-	-	-	200.00	200.00
DSP BlackRock Liquidity Fund - DDR	-	302.37	302.37	-	-	-
Reliance Liquid Plan - TP - IP - DDR	-	616.94	616.94	-	-	-
FMP	-	40.17	40.17	-	82.29	82.29
(b) Other investments	-	-	-	-	-	-
TOTAL - Other current investments	-	1,068.34	1,068.34	-	2,270.30	2,270.30

15.1 Aggregate provision for diminution (write down) in the value of other current investments ₹ 2.18 lakhs in the financial year 2010-11.

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
16 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	420.49	106.54
Doubtful	4.96	5.99
	425.45	112.53
Less: Provision for doubtful trade receivables	4.96	5.99
	420.49	106.54
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	224.31	411.38
Doubtful	64.12	17.87
	288.43	429.25
Less: Provision for doubtful trade receivables	64.12	17.87
	224.31	411.38
TOTAL	644.80	517.92

16.1 Trade receivables include debts due from:

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
HT Learning Centers Ltd.	141.99	53.43
TOTAL	141.99	53.43

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
17 CASH AND CASH EQUIVALENTS		
(a) Cash on hand	8.84	9.09
(b) Balances with banks		
(i) In current accounts	265.28	254.27
(ii) In deposit accounts	1,488.14	1,801.76
(c) Others	-	-
TOTAL	1,762.26	2,065.12

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
18 SHORT-TERM LOANS AND ADVANCES		
(a) Advances to Creditors	105.96	26.42
(b) Security deposits (Premises)	93.23	71.22
(c) Security deposits (Others)	1,109.00	3.64
(d) Loans and advances to related parties (Refer Note 18.1)	-	1.00
(e) Loans and advances to employees	29.01	18.71
(f) Loans and advances to visiting faculty	54.21	38.51
(g) Loans and advances to Others (Refer Note 18.2)	482.99	2.88
(h) Balances with government authorities		
Service Tax Credit Receivable	7.42	20.85
(i) Income Tax Paid	717.73	556.16
TOTAL	2,599.55	739.39

18.1 Short-term loans and advances include amounts due from:

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
Other officers of the Company	-	1.00
TOTAL	-	1.00

18.2 ₹ 460.70 lakhs receivable from Selling Shareholder towards their share of IPO related expenses is included in Loans & Advances (Others)

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
19 OTHER CURRENT ASSETS		
(a) Prepaid Expenses	3.60	1.54
(b) Accruals		
Interest accrued on investments	0.09	27.66
(c) Unamortised expenses		
Share issue expenses	-	-
TOTAL	3.69	29.20

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
20 REVENUE FROM OPERATIONS		
(a) Fees recognised	13,730.53	11,140.10
Less : Discount	(817.87)	(654.72)
Concession	(197.32)	(215.44)
TOTAL	12,715.34	10,269.94
(b) Other operating revenues comprise:		
Government Grants	288.63	235.47
Others	53.38	45.63
TOTAL - Other operating revenues	342.01	281.10

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
21 DIRECT EXPENSES		
Rent, Rates & Taxes	1,956.50	1,801.86
Electricity	462.08	393.47
Study Material Charges	658.76	560.19
Student Stipend Expenses (Refer Note 21.1)	64.78	-
Bandwidth Charges	29.29	-
Visiting Lecturer Fees	3,805.74	2,795.08
Management fees	-	-
TOTAL	6,977.15	5,550.60

21.1 A part of the government grant in relation to projects undertaken by the Company includes amount to be paid to the students who are enrolled under the Government scheme, in the form of stipend.

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
22 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,583.57	1,304.49
Contributions to provident and other funds	52.73	14.43
Expense on employee stock option (ESOP) scheme (Refer Note 26.7.5)	73.63	-
Staff related expenses	88.75	35.55
TOTAL	1,798.68	1,354.47

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
23 OTHER EXPENSES		
Administration Expenses		
Loss on Sale / Relocation of Assets	39.69	138.48
Miscellaneous Expenses	113.88	108.59
Repairs & Maintenance	202.40	157.05
Professional fees	228.01	170.37
Telephone & Internet Charges	107.84	103.21
Travelling & Conveyance Expenses	188.05	115.00
Printing & Stationery	58.05	38.48
Security Charges	57.59	46.76
Bad Debts	59.30	0.88
Provision for Bad & Doubtful Debts	69.01	23.86
Donation	31.77	30.48
Seminar & Training Expenses	23.48	47.95
Postage, Courier & Transport Charges	10.00	14.92
Auditor's Remuneration	20.25	16.55
Amount Written off	26.85	36.91
Insurance Expenses	13.01	12.86
Provision for Diminution in Current Investment	(2.18)	2.18

Notes forming part of the financial statements

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
23 OTHER EXPENSES (CONTD.)		
Equipment Hire Charges	18.38	13.20
Director's Sitting Fees	7.55	-
Bank charges and Commission	7.19	9.39
Foreign Exchange Fluctuation	-	3.09
Preliminary expenses written off	-	0.68
(A)	1,280.12	1,090.89
Selling Expenses		
Advertisement & Publicity	678.77	644.05
Sales Promotion	12.24	9.40
(B)	691.01	653.45
(A+B)	1,971.13	1,744.34

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
23.1 (i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
For statutory audit	10.79	8.25
For taxation matters	1.00	-
For other services	8.46	8.30
(A)	20.25	16.55
For IPO related services	15.00	-
(B)	15.00	-
(A+B)	35.25	16.55

The payments to auditors in relation to IPO Expenses have been included in Share Issue Expenses.

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
24 FINANCE COSTS		
Interest on Bank Overdraft / Term Loan	4.79	0.22
Other Interest	-	-
TOTAL	4.79	0.22

Notes forming part of the financial statements

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
25 OTHER INCOME		
Interest income (Refer Note 25.1)	154.56	130.88
Dividend income:		
from current investments	154.42	71.76
Net gain on sale of:		
current investments	1.82	0.96
long-term investments	65.01	7.50
Net gain on foreign currency transactions and translation (other than considered as finance cost)	20.78	-
Other non-operating income (Profit on Sale of Assets)	0.16	-
TOTAL	396.75	211.10

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
25.1 Interest income comprises:		
Interest from banks on:		
deposits	148.19	104.13
other balances	1.57	26.75
Interest on income tax refund	4.80	-
TOTAL - Interest Income	154.56	130.88

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26 ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS		
26.1 Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Income Tax Demand (Refer note 26.1.1)	111.25	57.48
(b) Guarantees given by Bank for Govt. Project (Refer note 26.1.2)	100.00	21.00
(c) Other money for which the Company is contingently liable	-	-

26.1.1 The Company has filed an appeal with the Commissioner of Income Tax (Appeal) [CIT (A)] against the demand raised by ACIT-10(3), Mumbai, U/s 143(3) of Income Tax Act, 1961 for ₹ 111.25 lakhs, for the A.Y. 2007-08 vide Assessment Order dated 24 December 2009.

26.1.2 Guarantee issued by bank on behalf of the Company is for the Projects undertaken by the Company with certain entities associated with the Government of India & the State Governments.

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26.2 Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,815.23	124.79
Intangible assets	54.12	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (Refer note 26.2.1)	-	-

26.2.1 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

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

₹ in lakhs

Particulars	2011-12	2010-11
26.4 Disclosure of additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956.		
(i) Turnover	Nil	Nil
(ii) Stock of Goods	Nil	Nil
(iii) Value of Imports on C.I.F. Value	Nil	Nil
(iv) Expenditure in Foreign Currency	Nil	Nil
(v) Import of Finished Goods	Nil	Nil
(vi) Expenditure in Foreign Currency during the Financial Year on account of Royalty, Know-how, Professional & Consultancy Fees, Interest and other Matters.	Nil	Nil
(vii) F.O.B. Value of Export Sales/Services (In Arab Emirates Dirham)	21.38	10.53
(viii) Amount remitted in Foreign Currency during the year on account of dividends	Nil	Nil

Notes forming part of the financial statements

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
26.5 Earnings per share		
26.5.1 Basic		
Net profit / (loss) for the year from continuing operations	1,323.19	811.52
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	1,323.19	811.52
Weighted average number of equity shares	35,021,910	34,351,020
Par value per share	10	10
Earnings per share from continuing operations - Basic	3.78	2.36
26.5.2 Diluted		
Net profit / (loss) for the year from continuing operations	1,323.19	811.52
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	1,323.19	811.52
Profit / (loss) attributable to equity shareholders (on dilution)	1,323.19	811.52
Weighted average number of equity shares for Basic EPS	35,021,910	34,351,020
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	202,374	-
Weighted average number of equity shares - for Diluted EPS	35,224,284	34,351,020
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	3.76	2.36

₹ in lakhs

Particulars	As at 31 March 2012	As at 31 March 2011
26.6 Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2.14	3.71
On expenditure deferred in the books but allowable for tax purposes	-	-
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	-	-
Others	-	-
Tax effect of items constituting deferred tax liability	2.14	3.71
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	14.38	10.33
Provision for doubtful debts / advances	22.41	7.74
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	19.06	4.31
On difference between book balance and tax balance of fixed assets	353.24	289.16
Unabsorbed depreciation carried forward	2.14	-
Brought forward business losses	-	-
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	-	0.11
Others	-	1.03
Tax effect of items constituting deferred tax assets	411.23	312.68
Net deferred tax (liability) / asset	409.09	308.97

Notes forming part of the financial statements

26.7 Employee Stock Option Scheme

26.7.1 In the extraordinary general meeting held on 13 April 2011, the shareholders approved the issue of 140,886 options under the Scheme titled "ESOP 2011-I".

The ESOP 2011-I allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

The exercise price of each option is ₹ 10. On 2 June 2011 the options granted have been exercised and converted into 140,886 equity shares.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense has been expensed to P & L statement since there was no vesting period.

26.7.2 In the extraordinary general meeting held on 13 April 2011, the shareholders approved the issue of 272,912 options under the Scheme titled "ESOP 2011-II".

The ESOP 2011-II allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

During the current year, the Company has granted 272,912 options under the "ESOP 2011-II" to eligible employees of the Company.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense has been expensed to P & L statement on a time proportion basis over the vesting period.

The vesting period of options "ESOP 2011-II" are as follows

Date Of Vesting	Percentage of Options granted under ESOP 2011- II		
	Category-I	Category-II	Other Employees
30 September 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%
30 September 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%
30 September 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%

₹ in lakhs

Particulars	During the year ended 31 March 2012	During the year ended 31 March 2011
	Options (Numbers)	Options (Numbers)
26.7.3 Employee stock options details as on the Balance Sheet date are as follows:		
Option outstanding at the beginning of the year:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	-	-
Granted during the year:		
- ESOP 2011 -I	140,886	-
- ESOP 2011 -II	272,912	-
Vested during the year:		
- ESOP 2011 -I	140,886	-
- ESOP 2011 -II	-	-
Exercised during the year:		
- ESOP 2011 -I	140,886	-
- ESOP 2011 -II	-	-
Lapsed during the year:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	-	-
Options outstanding at the end of the year:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	272,912	-
Options available for grant:		
- ESOP 2011 -I	-	-
- ESOP 2011 -II	-	-

Weighted Average Exercise Price for "ESOP -2011 -I" is ₹ 10 per option.

Notes forming part of the financial statements

26.7.4 The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31 March 2012	31 March 2011
Risk Free Interest Rate	8.30%	NA
Expected Life (Years)	1.91	NA
Expected Annual Volatility of Shares	33%	NA
Expected Dividend Yield	Nil	NA

26.7.5 Expenses arising from stock option plan during the year / period

Particulars	31 March 2012	31 March 2011
ESOP 2011-I	36.57	-
ESOP 2011-II	37.06	-
TOTAL	73.63	-

₹ in lakhs

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
26.8 Lease Payments		
The Company has entered into operating lease arrangements for certain facilities and Coaching Center premises. The leases are over a period of 2 to 10 years and may be renewed for a further period on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	1,754.90	1,626.54

₹ in lakhs

26.9 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 recognised 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.

26.10 The Company operates in one business segment hence the reporting requirement pertaining to Accounting Standards 17 on "Segment Reporting" are not applicable.

26.11 The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

26.12 Related party transactions

26.12.1 Details of related parties:

Description of relationship	Names of related parties
Joint Venturer of Subsidiary	HT Learning Centres Limited
Key Management Personnel (KMP)	Mahesh R. Shetty
Enterprises in which KMP can exercise significant influence	Mahesh Tutorials Chembur, Mahesh Tutorials Mulund and Global Education Trust
Relatives of KMP	Kalathur Shetty, Lalitha Shetty and Roopa Shetty.

Note: Related parties have been identified by the Management.

Notes forming part of the financial statements

₹ in lakhs

Particulars	Subsidiaries	Joint Venturer of Subsidiary	KMP	Entities in which KMP / relatives of KMP have significant influence
26.12.2 Details of related party transactions during the year ended 31 March 2012 & balances outstanding as at 31 March 2012				
Professional Services Rendered - HT Learning Centers Limited		80.95 [47.15]		
Directors Remuneration - Mr. Mahesh Shetty			90.00 [48.24]	
Dividend (FY 2010-11)			67.83 [-]	
Rent - Mr. Mahesh Shetty			7.29 [5.29]	
Rent - Mahesh Tutorials Chembur				71.77 [71.77]
Rent - Mahesh Tutorials Mulund				23.79 [23.79]
Deposit for Premises – Mr. Mahesh Shetty			2.40 [-]	
Donation - Global Education Trust				30.21 [29.82]
Balances outstanding at the end of the year				
Deposit for Premises – Mr. Mahesh Shetty			7.47 [5.07]	
Deposit for Premises – Mahesh Tutorials Chembur				29.75 [29.75]
Deposit for Premises – Mahesh Tutorials Mulund				11.28 [11.30]
Professional Services Rendered - HT Learning Centers Limited		141.99 [53.42]		

Note: Figures in brackets relate to previous year

26.13 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 52.73 lakhs (Year ended 31 March 2011 ₹ 14.43 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes forming part of the financial statements

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

₹ in lakhs		
Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Components of employer expense		
Current service cost	13.94	58.86
Interest cost	7.01	5.16
Expected return on plan assets	1.69	(0.60)
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	9.22	(1.22)
Total expense recognised in the Statement of Profit and Loss	31.86	62.20
Actual contribution and benefit payments for year		
Actual Benefit Payments	-	-
Actual Contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(119.47)	(87.13)
Fair value of plan assets	17.23	17.23
Funded status [Surplus / (Deficit)]	(102.24)	(69.90)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(98.27)	(69.90)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	87.13	24.16
Current service cost	14.42	58.86
Interest cost	7.01	5.16
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	10.91	(0.78)
Past service cost	-	-
Benefits paid	-	(0.27)
Present value of DBO at the end of the year	119.47	87.13
Change in fair value of assets during the year		
Plan assets at beginning of the year	17.23	7.51
Acquisition adjustment	-	-
Expected return on plan assets	1.38	0.60
Actual company contributions	-	8.95
Actuarial gain / (loss)	(1.38)	0.44
Benefits paid	-	(0.27)

Notes forming part of the financial statements

₹ in lakhs

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Plan assets at the end of the year	17.23	17.23
Actual return on plan assets	-	1.04
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	17.23	17.23
Actuarial assumptions		
Discount rate	8.25%	8.00%
Expected return on plan assets	8.60%	8.00%
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%
Mortality tables	LIC (1994-96) Ultimate table.	LIC (1994-96) Ultimate table.
Estimate of amount of contribution in the immediate next year	62.61	19.68

Experience adjustments

₹ in lakhs

Gratuity	2011-12	2010-11
Present value of DBO	-	-
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Experience gain / (loss) adjustments on plan liabilities	11.99	1.51
Experience gain / (loss) adjustments on plan assets	(1.38)	0.44

	For the year ended 31 March 2012	For the year ended 31 March 2011
Actuarial assumptions for long-term compensated absences		
Discount rate	8.25%	8.00%
Expected return on plan assets	-	-
Salary escalation	6.00%	6.00%
Attrition	21.50%	21.50%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes forming part of the financial statements

27 EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Company approached the capital market with its maiden Public Issue of 12,375,000 Equity Shares of face value of ₹10 each for cash at a price of ₹ 80 per equity share (including a share premium of ₹ 70 per equity share) aggregating to ₹ 9,900 lakhs consisting of a fresh issue of 4,375,000 Equity Shares aggregating to ₹ 3,500 lakhs (The "Fresh Issue") and an Offer for Sale of 8,000,000 Equity Shares by Helix Investments Company (The "Selling Shareholder") aggregating to ₹ 6,400 lakhs (The "Offer For Sale" and together with the Fresh Issue, the "Issue"). The Issue constituted 31.29% of the Post-Issue paid-up Equity Share capital of the Company.

The Bid/Issue opened for subscription on 27 March 2012 and closed on 29 March 2012 in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations"). The floor price for the Issue was fixed at ₹ 74 per Equity Share of ₹ 10 each and the Cap Price was fixed at ₹ 80 per Equity Share of ₹ 10 each.

The Anchor Investor Bid/Issue opened and closed on 26 March 2012. The Company received applications from 2 Anchor Investors for 2,702,720 Equity shares at a Price of ₹ 74 per share amounting to ₹ 2,000 lakhs in the Escrow account. The Anchor Investors were allocated 1,737,914 shares.

The Issue was oversubscribed to the extent of 4.907 times (excluding the Anchor Portion) as per the Bid data after removing multiple and duplicate bids and before technical rejections. After considering the cheque returns, withdrawals and technical / multiple rejections cases, the Issue was subscribed 4.887 times (excluding the Anchor Portion).

After the closure of the Issue, the Company in consultation with the Book Running Lead Manager finalised the Issue price at ₹ 80 per Equity Share for all investors (including Anchor Investors).

As of 31 March 2012, the Company has issued 4,375,000 Fresh Equity shares for subscription aggregating to ₹ 3,500 lakhs.

All activities post closure of the Issue viz. receiving of provisional & final certificates from the Escrow banks, reconciliation of bid files received from the stock exchanges and bank schedules received from the escrow bankers, technical rejections, finalisation of basis of allotment, application for listing of Equity shares with the Stock Exchanges, transfer of funds from Escrow account to public issue account, allotment of Equity Shares etc. were carried out between 2 April 2012 and 10 April 2012 and accordingly as of 31 March 2012 the said 4,375,000 fresh Equity shares are shown as 'Shares issued but not subscribed'.

As per the Final certificates issued by the Escrow Collection Banks, SCSBs (Syndicate ASBA) and SCSBs, 6,962 applications for 54,746,560 Equity Shares have been received and the amount collected / blocked was ₹ 4,363.87 lakhs.

After considering the rejections & withdrawals, there were 6,841 valid applications for 54,684,240 Equity shares.

The basis of allotment was approved in the IPO committee meeting of the Company held on 9 April 2012 and the allotment of Shares was done in the meeting of the Board of Directors of the Company held on 10 April 2012.

Based on the basis of allotment as approved by the BSE Limited ("Designated Stock Exchange") 12,375,000 Equity shares were allotted to 6,193 applicants.

On allotment, the issued, subscribed and paid-up capital of the Company increased to ₹ 395,478,720 divided into 39,547,872 Equity Shares of ₹ 10 each, fully paid-up.

The summary of Allotment as under:

Category	Valid Shares Received in Each Category	No. of Equity Shares Reserved (As per Prospectus)	Equity Shares Allotted
Anchor Portion	2,702,720	1,737,914	1,737,914
Qualified Institutional Bidders (At least 50% of the Issue)	27,785,520	4,449,586	4,449,586
Retail Investors (Not less than 35% of the Issue)	9,442,160	4,331,250	4,331,250
Non Institutional Investors (Not less than 15% of Issue)	14,753,840	1,856,250	1,856,250
TOTAL	54,684,240	12,375,000	12,375,000

In terms of our report attached.
For Shaparia & Mehta
Chartered Accountants
Firm Reg No: 112350W

Sanjiv B Mehta
Partner
Membership No.: 034950

Place : Mumbai
Date : 26 May, 2012

For and on behalf of the Board of Directors

Mahesh R. Shetty
Chairman & Managing Director

Anup Gandhi
Chief Financial Officer

Dr. Chhaya Shastri
Director

Ashwin Patel
Company Secretary

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

1	Name of the Subsidiary Company	MT Education Services Pvt. Ltd	Chitale's Personalised Learning Pvt. Ltd
2	Financial year of the Subsidiary Company ended on	31 March 2012	31 March 2012
3	Date from which it became subsidiary	04 April 2011	22 January 2011
4	Shares of the subsidiary company held by MT Educare Limited at the end of the financial year of the subsidiary company		
a.	Number of Shares and face value	10,000 Equity shares of ₹10/- each	41,633 Equity shares of ₹10/- each
b.	Extent of Holding (%)	100.00	51.00
5	Net aggregate profits / losses of the subsidiary company, so far as it concerns the member of MT Educare Limited		
a.	not dealt with in the accounts of MT Educare Limited for the year ended 31 March 2012, amounted to: - (₹ in lakhs)		
i.	for the subsidiary company's financial year ended as in (2) above;	(13.43)	(40.80)
ii.	for previous financial year of the subsidiary since they became the subsidiary of MT Educare Limited	NA	(13.92)
b.	dealt with in the accounts of MT Educare Limited for the year ended 31 March 2012, amounted to:- (₹ in lakhs)		
i.	for the subsidiary company's financial year ended as in (2) above;	-	-
ii.	for previous financial year of the subsidiary since they became the subsidiary of MT Educare Limited	NA	NIL
6	Change in the interest of MT Educare Limited in the subsidiary company between the end of financial year of the subsidiary company and 31 March 2012	Not applicable	Not applicable
7	Material changes between the end of the financial year of the subsidiary company and 31 March 2012		
a.	Fixed assets	Not applicable	Not applicable
b.	Investments	Not applicable	Not applicable
c.	Monies lent by the subsidiary company	Not applicable	Not applicable
d.	monies borrowed by the subsidiary company for any purpose other than that of meeting current liabilities	Not applicable	Not applicable

Notes

[illegible]

Notes

Corporate Information

Board of Directors

Mr. Mahesh R. Shetty	- Chairman and Managing Director
Mr. Naarayanan Iyer	- Non Independent, Non Executive Director
Mr. David Danziger	- Non Independent, Non Executive Director
Dr. Chhaya Shastri	- Non Independent, Non Executive Director
Mr. Cyrus D. Driver	- Independent, Non Executive Director
Ms. Drushti Desai	- Independent, Non Executive Director
Mr. Yatin Samant	- Independent, Non Executive Director
Mr. Uday Lajmi	- Independent, Non Executive Director

Board Committees

Audit Committee

Ms. Drushti Desai (Chairperson)
Mr. Uday Lajmi
Dr. Chhaya Shastri.

Remuneration Committee

Mr. Cyrus Driver (Chairman)
Mr. Yatin Samant
Mr. Uday Lajmi

Shareholders' and Investors' Grievances Committee

Mr. Yatin Samant (Chairman)
Mr. Drushti Desai
Dr. Chhaya Shastri

Company Secretary & Compliance Officer – Ashwin M. Patel

Bankers

Citi Bank NA
Axis Bank Limited
The Shamrao Vitthal Co-operative Bank Limited

Statutory Auditors

Shaparia & Mehta
Chartered Accountants
1/74, Krishna Kunj, R. A. Kidwai Road,
King's Circle, Matunga (C. Rly),
Mumbai 400 019

Internal Auditors

Mukund N. Chitale & Co.
Chartered Accountants
204-205 Agrawal Shyamkamal – A,
Vile Parle (East),
Mumbai 400 057

Registered Office

220, 2nd Floor, "FLYING COLORS"
Pandit Din Dayal Upadhyay Marg,
L.B.S Cross Road, Mulund (West),
Mumbai 400 080
Tel No. (022) 2593 7700 / 800 / 900
Fax No.(022) 2593 7799
Email : info@mteducare.com

Registrar & Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mill Compound
L.B.S Marg, Bhandup (West)
Mumbai 400 078
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
Investor Grievance Email: mtel.ipo@linkintime.co.in



Registered Office

220, 2nd Floor, "FLYING COLORS",
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