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6th

ANNUAL REPORT
OF
HARYANA KNOWLEDGE CORPORATION LIMITED

Regd Office: HSIIDC IT Park, Plot No.1, 4th Floor, Sector 22, Panchkula, Haryana - 134109. Contact No. 0172-5210251

BOARD OF DIRECTORS

Sh. Ankur Gupta, IAS Principal Secretary to Govt. of Haryana E & IT Department.	Chairman
Sh. Vivek Sawant Managing Director, Maharashtra Knowledge Corporation Limited.	Director
Smt. Veena Kamath Chief Executive Officer, Maharashtra Knowledge Corporation Limited.	Director
Sh. Naresh Deshmukh	Managing Director & CEO

COMPANY SECRETARY

Ms. Sunita Arora

AUDITORS

M/s P.K.Bhasin & Associates, Chartered Accountants

BANKERS

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

Regd Office: HSIIDC IT Park, Plot No.1, 4th Floor, Sector 22, Panchkula, Haryana - 134109.
Contact No. 0172-5210251

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 6th Annual General Meeting of HARYANA KNOWLEDGE CORPORATION LIMITED will be held at the registered office of the Company, HSIIDC IT Park, 4th Floor, Plot No.1, Sector -22, Panchkula - 134109 , Haryana on Friday, 28th June, 2019 at 11.30 am to transact the following business: -

Ordinary Business

- 1. To consider and adopt the audited Financial Statement of the Company for the Financial year 31st March, 2019 along with the Report of the Board of Directors and Auditors thereon., and to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED that the Audited Financial Statement of the Company for the year ended 31st March, 2019 with the reports of the Board of Directors and Auditors thereon, be and are hereby approved and adopted.”

- 2. To consider re-appointment of Sh. Vivek Sawant, who retires at the conclusion of this AGM and offers himself for re-appointment.**
- 3. To consider re-appointment of Smt. Veena Kamath, who retires at the conclusion of this AGM and offers himself for re-appointment.**
- 4. To appoint Auditors and, if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:**

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby appoints M/s P.K. Bhasin & Associates, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 12th Annual General Meeting of the Company.

RESOLVED FURTHER THAT as per the recommendation of the Board of Directors of the Company, the Auditors shall be paid a remuneration of Rs. 35,000/- (Rupees Thirty Five Thousands only) exclusive of taxes for the financial year 2019- 20.”

SPECIAL BUSINESS

- 5. Appointment of Sh. Naresh Deshmukh as Managing Director & CEO of the Company and to pass with or without modification(s), the following resolution as Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of article 35, 36 and 40 of Article of Association of the company and other applicable provisions of the Companies Act, 2013, Sh. Naresh Deshmukh, be and is hereby appointed as non-rotational Managing Director

of the company with a Monthly remuneration as decided by the Board of Directors of the Company, for a period starting from 03rd December, 2018 to 2nd December, 2023.

RESOLVED FURTHER THAT Company Secretary of the company be and is hereby authorized to do all such acts and deeds for giving effect to the above passed resolution and file the necessary returns with the Registrar of Companies.”

By Order of the Board
For Haryana Knowledge Corporation Limited

Sd/-
(Company Secretary)

Date: 06.06.2019

Place: Panchkula

Note:

- (1) *A member entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member. A proxy to be valid should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. Form of Proxy is enclosed.*
- (2) *A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of total share capital of the company carrying voting rights. A member holding more than 10% of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.*
- (3) *Members are requested to bring their attendance slip along with copy of the annual report to the meeting.*
- (4) *A blank form of attendance slip is attached herewith. The Members/proxies should bring duly filled in and signed attendance slip for attending the meeting.*

ITEM NO.5

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Mr. Naresh Deshmukh was inducted as Managing Director & CEO of the Company for the period starting w.e.f. 3rd December, 2018 to 2nd December, 2023 and consent of the shareholders is required for confirmation of his appointment as Managing Director & CEO of the Company. Mr. Abhijeet Kulkarni completed his tenure as Managing Director & CEO, HKCL on 1st December, 2018 and accordingly, Mr. Naresh was inducted as MD & CEO w.e.f. 3rd December, 2018. The remuneration package approved for him is reproduced as under and is within the overall limit prescribed by the Schedule V of the Companies Act, 2013.

Annexure I

The Company Shall, in consideration of his services, Pay and Provide to Mr. Naresh Deshmukh, Managing Director & CEO during the continuance of his Agreement, remuneration, perquisites, re-imbusement facilities and entitlements as per terms specified below:

SR. NO.	PARTICULARS	BASIS OF WORKING	MONTHLY (Rs.)	ANNUAL (Rs.)
A. REMUNERATION (To be paid Monthly)				
1	Basic Pay		77800	933600
2	Special Allowance	50% of Basic Pay	38900	466800
3	House Rent Allowance	30% of Basic Pay	23340	280080
4	Vehicle Allowance	15% of Basic Pay	11670	140040
5	Miscellaneous Allowance		154	1842
6	Company's Contribution to Provident Fund (CPF/ Employer's Contribution)	12% of (Basic Pay + Special Allowance)	14004	168048
7	Gratuity	15 Days of (Basic Pay + Special Allowance)	4863	58350
B. BASIC PAY DEPENDENT REIMBURSEMENTS / ALLOWANCES & ENCASHMENTS (To Be Paid Annually)				
1	**Leave Travel Assistance	8.333% of Basic Pay	6483	77800
2	**Medical Reimbursement / Allowance	8.333% of Basic Pay	6483	77800
3	**Leave Encashment of Accumulated Leave	8.333% of Basic Pay	6483	77800
4	Attendant Allowance	4.166% of Basic Pay	3242	38900
5	Attire Allowance	4.166% of Basic Pay	3242	38900
6	Book Allowance / Reimbursement	15% of Basic Pay	11670	140040
<i>**One month's Basic Pay to be paid annually.</i>				
Total package without Insurance & Driver's salary			208333	2500000
C. OTHER INSURANCE PREMIUM (To be paid Annually as per policy terms)				
1	Medical Insurance Policy Coverage of Rs.4,00,000/-			
2	Accident Insurance Policy Coverage of Rs.10,00,000/-			

D. REIMBURSEMENTS (To be paid Monthly)		
1.	Reimbursement of Telephone Bill of one Line, one Mobile Bill and one Internet Connection	At Actuals

E. ENTITLEMENTS	Basis
Annual upward revision of the gross remuneration of the previous year, on October 1 each year	Till the completion of the current tenure of five years of Mr. Naresh Deshmukh as the Managing Director & CEO, and subject to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013, the total compensation package of the Managing Director be upwardly revised annually every year, by amount of percentage as decided by the Board from time to time.
Performance Report & Performance Plan	The Managing Director & CEO shall present the Performance Report (for the previous year) and Performance Plan (of the current year) in the first Board Meeting held after the conclusion of each financial year. The Board, on review of the Company's performance for the immediately concluded financial year, shall decide percentage of annual upward revision of the gross remuneration of the Managing Director & CEO for any year as stated above.
Annual Organizational Performance Linked Award (OPLA)	The Company may decide to pay OPLA based on careful scrutiny of its profitability of Previous Financial Year (PFY). This award, therefore, may not be mandatorily given every year. If payable, it will be 1.5 times of the average performance rating of all employees of the Company and subject to applicable provisions of the Companies Act, 2013.
Travel in India and/or outside India for official tours.	By roadway, airway in Economy Class, waterway
Incidental expenses including local/out-station conveyance, Hotel accommodation, food bills, entertainment expenses, etc. on official tours.	Arranged by the Company or reimbursement at actuals
Daily Allowance for official tours in India and/or outside India as per the Company's norms.	As per the Company's norms
Cab and Driver Services	To be provided by the Company
Public Holidays	10 days in each calendar year
Casual leave	Total 8 days in a calendar year taken at a short notice

E. ENTITLEMENTS	Basis
Earned Leave	30 days in a calendar year (permitted accumulation up to 300 days)
Non-lapsable Sick leave	10 days in a calendar year
Others	Any other policies/benefits that are introduced by the Company from time to time for employees.

The aggregate of the salary, allowances, perquisites and entitlements in any financial year shall be within the limits prescribed from time to time under applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as maybe for the time being, be in force, or otherwise as may be permissible by law. Applicable shall be deducted at source.

The remuneration approved by Board is within the limits prescribed under Schedule V of the Companies Act, 2013. In terms of the provisions of the Companies Act, 2013, approval of the shareholders is required for remuneration proposed to be paid to Sh. Naresh Deshmukh. The Board propose to pass resolution set out at item no. 5 as Ordinary resolution with approval of the Shareholders of the Company.

None of the Directors of the Company is interested in the proposed resolution.

**By Order of the Board
For Haryana Knowledge Corporation Limited**

**Sd/-
(Company Secretary)**

**Date: 06.06.2019
Place: Panchkula**

**MGT-11
Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

**Name: Haryana Knowledge Corporation Limited.
Registered office: HSIIDC IT Park, Plot No.1, 4th Floor, Sector 22, Panchkula, Haryana - 134109.
Contact No. 0172-5210251**

Name of the member:

I/We, being the member (s) of _____ Equity shares of the above named company,
hereby appoint

1. Name :

Signature: _____

Or failing him

2. Name : _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual general meeting of the company, to be held on the ____Day of _____, 2019 At ____ am/pm at Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this____ day of_____ 2019

Signature of shareholder _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company before the commencement of the Meeting.

Haryana Knowledge Corporation Limited

ATTENDANCE SLIP

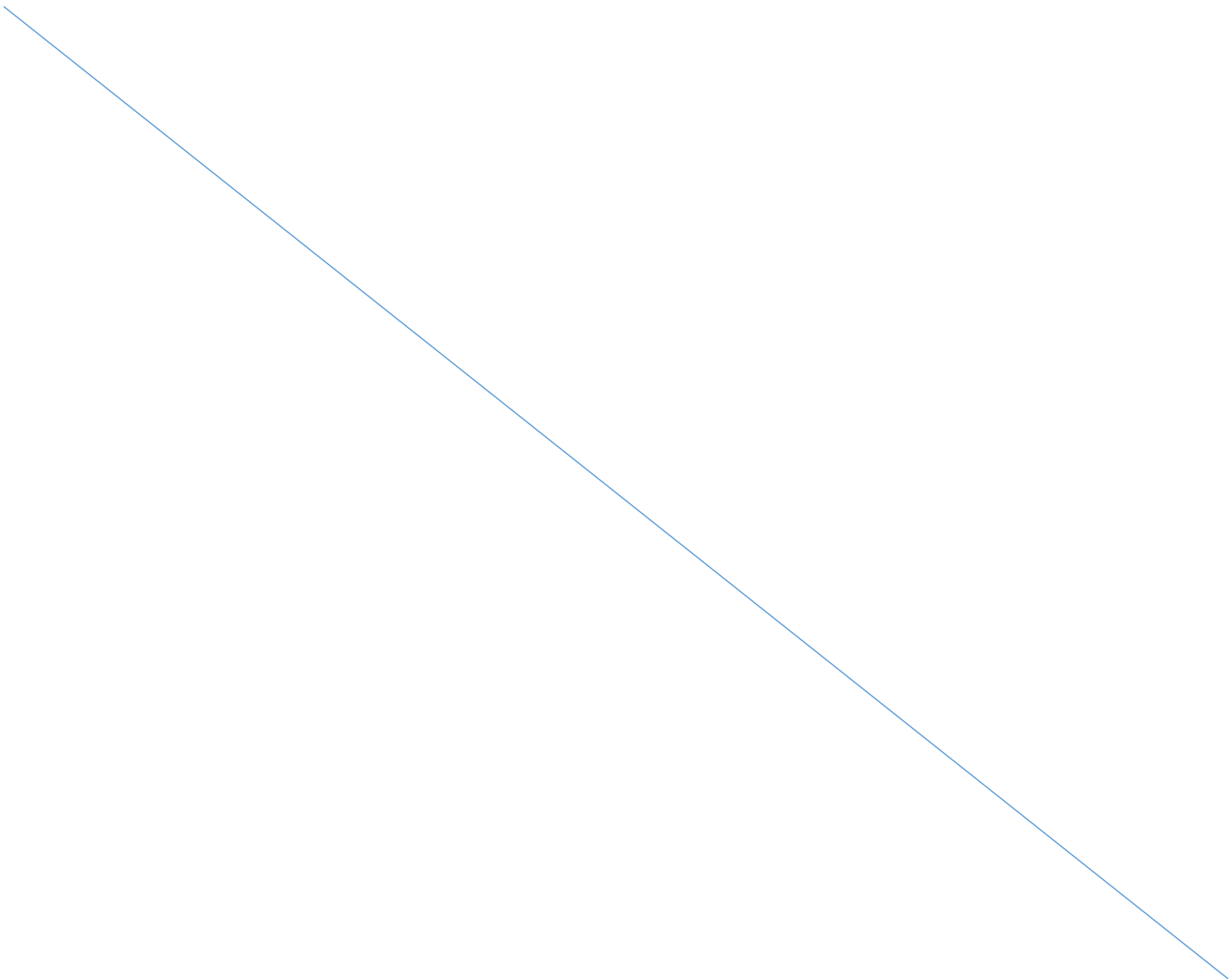
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

I _____ certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 4th Annual General Meeting of the Company at the _____

Ledger Folio No. _____ No. of Shares _____

Signature _____

----- TEAR HERE -----



To
The Members of
HARYANA KNOWLEDGE CORPORATION LIMITED

Your Directors have pleasure in presenting the 6th Board's Report of your Company for the financial year ended, 31st March 2019.

FINANCIAL HIGHLIGHTS

Sr.No.	Particulars	Amount (in Rupees)	
		2018-19	2017-18
1	Income		
(a)	Revenue from Operations	252,792,031.00	172,482,595.00
	Other Income	3,665,351.00	3,343,404.40
	Gross Income (1) Sub-Total (a)	256,457,382.00	175,825,999.40
2	Expenditure	166,507,959.00	115,527,230.16
3	Profit/Loss from Operations	89,949,423.00	60,298,769.24

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Introduction:

Haryana Knowledge Corporation Limited (HKCL) is a public limited company promoted and established by the Electronics and Information Technology Department and was incorporated on 10.09.2013 under the Companies Act, 1956.

Equity Profile and Board:

The Government of Haryana, MKCL, HARTRON, four State Universities and Board of school Education in the State of Haryana are among the initial equity holders of HKCL.

The Board of Directors normally consists of three nominees of the Government of Haryana, two from MKCL and the Managing Director.

Financial Self-sustenance

In spite of having Government as a major stakeholder, HKCL does not receive any funding, grant-in-aid or financial assistance, loans or from the government. All along HKCL has emerged as a self-sustaining, wealth-creating and ever-growing enterprise.

Transformative Agenda:

Keeping in view the rapid emergence of knowledge-based society and knowledge-led economy on the global scale and recognizing that knowledge is increasingly becoming synonymous to wealth, HKCL is dedicated to the cause of bridging the **Knowledge Divide** and resultant **Development Opportunity Divide** faced by the common people in general and youth and school students in particular.

The main mission of HKCL, therefore, is to create new value-based paradigms in education, governance and empowerment of common people in the context of rapidly emerging knowledge-based society and knowledge-led economy and consistent with development opportunities therein.

Activities during the year.

Network Partner Management Program (NPMP):

HKCL launched HS-CIT course (Haryana State Certificate in Information Technology) in the year 2014 and registered more than 20,000 learners in the financial year 2018-19 registering a growth of 74.36% from the last financial year 2017-18. HKCL has 260 Authorized Learning Centers (ALCs) widely spread across Haryana which are well equipped to conduct HS-CIT Course. Recently HKCL has joined hands with Mewat Development Agency for developing Model Computer Training Centre in Nuh. This year, in World Class Academy of Vocational Excellence (WAVE) courses, more than 3050 learners have completed their courses. 37 new ALCs have joined hands with HKCL.

As per letter No 42/164/2008-3GSII dated 22/09/2017 issued by Chief Secretary, Haryana, State Eligibility Test in Computer (SETC) shall be mandatory for being eligible for Group 'C' posts of Clerk, and HS-CIT passed candidate are exempted from SETC Test.

Digital University Business Development Program (DU- BDP): Digital University project is going in full swing in Five State Universities namely Kurukshetra University (KU), Chaudhary Ranbir Singh University (CRSU), Bhagat Phool Singh Mahila Vishwavidyalaya (BMSMV), Chaudhary Ranbir Singh University (CRSU) and Guru Jambheshwar University of Science & Technology, More than 1,15,000 students of these Universities are availing the services online. HKCL has implemented Secured Remote Paper Delivery (SRPD) system at CRSU which enhanced the efficiency of the Examination system.

Online Application Solution and Integrated Services Business Development Program (OASIS-BDP): HKCL is providing online admission and recruitment services to many Departments and Universities in the state of Haryana. Few distinguished clients are

- Haryana Staff Selection Commission (HSSC).

- Department of Medical Education and Research (DMER) - Nursing, MBBS, BDS, MS, MD, MDS, etc. courses.
- Pt. Bhagwat Dayal Sharma University of Health Sciences, Rohtak (UHSR) - Paramedical Admissions.
- Haryana Vidyut Prasaran Nigam Limited.
- Haryana Vishwakarma Skill University.

e-Governance Business Development Program (e-Gov-BDP):

- The Pradhan Mantri Digital Saksharta Abhiyan (PMGDISHA), an initiative of Govt. of India is also taken up by HKCL and working as an assessment partner in six languages Hindi, English, Oriya, Marathi, Bengali, Punjabi, we have accessed more than 8.20 Lakh candidates.
- HKCL is working as a front-end service provider for the 'Online Transfer' project of Various department of Haryana and on a single mouse click, the drive is implemented in 9 departments of Govt. of Haryana which has gained attention all over India and got appreciation from Hon'ble Chief Minister of Haryana.
- HKCL has deployed 151 Human Resources to various Government Departments of State through HARTRON.
- HKCL is working with Haryana Skill Development Mission (HSDM) for Center Life Cycle Management Program and Candidate Life Cycle Management Program
- HKCL worked with Agriculture Department, Haryana and Mines Geology Department, Haryana for Departmental Software Application Development work.

Web Portal and Mobile App Development: HKCL has developed world class websites for different departments and boards in the state of Haryana like Prarambh School for Teacher Education, Shree Krishna Ayush University, Swarna Jayanti Institute for Fiscal Management etc.

DIVIDEND

Company has not declared any Dividend for Financial year 2018-19.

GENERAL RESERVES

The Company has not transferred any amount to General Reserves till date.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unclaimed dividend left with the Company out of the Dividend declared for the past years.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure: 1)

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2018-19, the Company held 5 (Five) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Name of Director	Category	Board Meeting Dates				
		06.07.2018	06.09.2018	30.10.2018	22.11.2018	26.02.2019
Sh. Ankur Gupta IAS	Govt. Nominee	attended	Attended	attended	attended	attended
Sh. Vijayendra Kumar, IAS	Govt. Nominee	Attended	Attended	attended	attended	absent
Sh. Vivek Sawant	MKCL Nominee	attended	Absent	attended	absent	absent
Smt. Veena Kamath	MKCL Nominee	attended	Absent	attended	absent	attended
Sh. Abhijeet Kulkarni	Managing Director & CEO	attended	Attended	attended	attended	---
Sh. Naresh Deshmukh	Managing Director & CEO	---	---	---	---	attended

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) Company being unlisted sub clause (e) of section 134(3) is not applicable.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS and KMP

During the Financial year for the report the following changes have occurred in the constitution of directors of the company:

S.No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1.	Sh.Vijayendra Kumar, IAS	Nominee Director	05.07.2017	05.03.2019	Nomination withdrawn by appointing authority
2.	Sh. Devender Singh, IAS	Nominee Director	31.05.2016	27.04.2018	Nomination withdrawn by appointing authority
3.	Sh. Abhijeet Kulkarni	Managing Director & CEO	16.06.2016	01.12.2018	Completion of tenure of appointment
4.	Sh. Naresh Deshmukh	Managing Director & CEO	03.12.2018	--	--

COMMITTEES OF THE BOARD

Currently Company has one only Committee consisting of Board Members of HKCL i.e. Corporate Social Responsibility Committee, the present constitution of which is as under:

Managing Director, HKCL, Chairman of the Committee
 Managing Director, MKCL
 Managing Director, HARTRON

AUDITORS

M/s P.K. Bhasin & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company up to the conclusion of 6th Annual General Meeting of the Company and the said term shall complete in this ensuing AGM of HKCL. Accordingly, it is required that his appointment shall further be renewed for a further period of one year and he shall be appointed Statutory Auditor of HKCL for the Financial Year 2019-20, subject to the approval of Shareholders. In this regard, the Company has received a Certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable

RELATED PARTY TRANSACTIONS

In accordance to provisions of section 134 of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2 for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto is appended as **Annexure - 2** to the Board's Report.

All transactions of the Company with its Associate Companies were "arm's length transactions" and in the ordinary course of business. As such, all the transactions are exempted from the purview of section 188 of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy and Technology absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

(B) Foreign exchange earnings and Outgo

There were no foreign exchange earnings and outgo during the year under review.

RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

DEPOSITS

The company has not accepted any deposits during the year.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has adopted a Sexual Harassment Policy to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

The Management states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

During the Financial Year 2018-19, the Corporate Social Responsibility (CSR) Committee, recommended to the Board the CSR Policy. The CSR Policy was approved by the Board in its meeting held on 26.02.2019.

The detailed report on the activities carried on by the Company as CSR during the year 2018-19 is appended as **Annexure -3**.

ANNUAL EVALUATION

The provision of section 134(3) (p) relating to board evaluation is not applicable on the company.

INDEPENDENT DIRECTORS and DECLARATION

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

REMUNERATION POLICY

Remuneration to Directors:

The remuneration is paid to Managing Director & CEO of the Company and is approved by Board of Directors in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

No remuneration or sitting fee is paid to any other Director.

AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Authorized Learning Centers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

BY ORDER OF THE BOARD

Ankur Gupta, IAS
Chairman
DIN - 01892533

Naresh Deshmukh
Managing Director & CEO
DIN: 08274149

Sunita Arora
Company Secretary
ACS : 24763

Date: 20.05.2019
Place: Chandigarh

Form No. MGT-9

EXTRACT OF ANNUAL RETURNAS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U80904HR2013PLC050331
ii.	Registration Date	10.09.2013
iii.	Name of the Company	Haryana Knowledge Corporation Limited
iv.	Category / Sub-Category of the Company	Public Limited with Share Capital
v.	Address of the Registered office and contact details	Plot No.1, HSIIDC IT Park, 4th Floor, Sector - 22, Panchkula - 134109. Contact No.- 0172-5210251, e-mail: cs@hkcl.in
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	HS-CIT, WAVE & KLIC (Haryana State Certificate in information Technology), Haryana Skill Development Mission & PMGDISHA.	99929192	20.64%

2	Recruitment services/OASIS and Digital University Framework services various departments/Universities of Haryana & e-Governance.	99831417	46.20%
3	Manpower Recruitment & Supply Agency Services for Hartron & SRDB Projects	99831130	31.73%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	NIL				

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De mat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian	NA				NA				
a) Individual/ HUF		0	0	0		0	0	0	0
b) Central Govt.		0	0	0		0	0	0	0
c) State Govt(s)		6,00,000	6,00,000	30		6,00,000	6,00,000	30	0
d) Bodies Corp		6,00,000	6,00,000	30		6,00,000	6,00,000	30	0
e) Banks / FI		0	0	0		0	0	0	0
f) Any Other		8,00,000	8,00,000	40		8,00,000	8,00,000	40	0
Sub-total(A)(1):-		20,00,000	20,00,000	100		20,00,000	20,00,000	100	0
2) Foreign	NA								
Sub-total (A)(2):-	NA	20,00,000	20,00,000	100		20,00,000	20,00,000	100	0
B. Public Shareholding	NA								

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
C. Shares held by Custodian for GDRs & ADRs	NA								
Grand Total (A+B+C)		20,00,000	20,00,000	100		20,00,000	20,00,000	100	0

ii) *Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Governor of Haryana, Government of Haryana, Department of Electronics and Information Technology	6,00,000	30	0	6,00,000	30	0	0
2.	Haryana State Electronics Development Corporation (HARTRON), Panchkula, Haryana	3,00,000	15	0	3,00,000	15	0	0

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
3.	Maharashtra Knowledge Corporation Ltd, Pune, Maharashtra	6,00,000	30	0	6,00,000	30	0	0
4.	Guru Jambheshwar University, Hisar, Haryana	1,00,000	5	0	1,00,000	5	0	0
5.	Kurukshetra University, Kurukshetra, Haryana	1,00,000	5	0	1,00,000	5	0	0
6.	DeenBandhu Chhotu Ram University of Science & Technology, Murthal, Sonipat, Haryana.	1,00,000	5	0	1,00,000	5	0	0
7.	BPS Mahila Vishvavidyalaya, Khanpur Kalan, Sonipat, Haryana.	1,00,000	5	0	1,00,000	5	0	0
8.	Board of School Education, Bhiwani, Haryana.	1,00,000	5	0	1,00,000	5	0	0
	Total	20,00,000	100	0	20,00,000	100	0	0

ii. *Change in Promoters' Shareholding (please specify, if there is no change)*

Not applicable as there is no change in promoters shareholding.

iii) **INDEBTEDNESS : NIL**

iv) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Sh. Abhijeet Kulkarni MD & CEO (01.04.2018 - 01.12.2018)	Sh. Naresh Dilip Deshmukh MD & CEO (03.12.2018 - 31.03.2019)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	24,10,557/-	7,74,523/-
2.	Stock Option		--
3.	Sweat Equity		--
4.	Commission - as % of profit - Others, specify...		--
5.	Others, please specify (Gratuity Transferred to MKCL's LIC EGGS)	1,30,329/-	--
6.	Total (A)	25,40,886/-	7,74,523/-
	Ceiling as per the Act	--	--

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (Amount in rupees)			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	13,16,055/ -	NA	13,16,055/ -
			30,968/-		30,968/-
2.	Stock Option		--		--
3.	Sweat Equity		--		--
4.	Commission - as % of profit - Others, specify...		--		--
5.	Others, please specify		--		--
6.	Total		13,47,023/ -		13,47,023/ -
7.					

v) **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE**

Annexure 2 to Director's Report

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies*

(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship: NA

(b) Nature of contracts/arrangements/transactions: NA

(c) Duration of the contracts / arrangements/transactions: NA

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
NA

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board: NA

(g) Amount paid as advances, if any: NA

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship: as per table A

(b) Nature of contracts/arrangements/transactions: as per table A

(c) Duration of the contracts / arrangements/transactions: as per table A

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any: as per table A

(f) Amount paid as advances, if any: as per table A

TABLE - A

i) MAHARASHTRA KNOWLEDGE CORPORATION LIMITED

Sr.No.	Projects	Nature of Contract	Duration of Contract	Value	Date of board Approval
1	NDLM	Business Support services	upto March 2019	Rs.6 per Candidate appeared in the examination inclusive of taxes	04.03.2016
2	D.Ed Admissions	Recruitment	upto March 2019	Rs.28/- per application inclusive of applicable taxes for First 3 Round and for 4th and onward Round Rs.20 per application inclusive of applicable taxes	31.01.2017
3	Digital University software framework	DU-BDP	1st April 2014 to upto March 2019	50% of the price quoted by HKCL to its customer after confirmation from MKCL	27.08.2014
4	Digital University software framework	DU-BDP	July 01, 2015 to March 31, 2019	50% of the price quoted by HKCL to its customer after confirmation from MKCL	02.09.2015
5	OASIS-Online Recruitment	Recruitment	upto March 2019	55% of the price quoted by HKCL to its customer after confirmation from MKCL	31.01.2017
6	OASIS-Online Admission	Recruitment	upto March 2019	55% of the price quoted by HKCL to its customer after confirmation from MKCL	31.01.2017
7	DMER Admissions	Admission	upto March 2019	Rs.25/- (Rupees Twenty Five only) per applicant plus applicable taxes for the first four rounds. In case, the project gets extended for further rounds, then whatever revenue is generated, it shall be divided in percentage i.e. 55% to MKCL and 45% to HKCL.	02.09.2015
8	Haryana Staff Selection Commission (HSSC)	Recruitment	upto March 2019	55% of the price quoted by HKCL to its customer after confirmation from MKCL	02.09.2015

9	Haryana Skill Development Mission	Skill Development Support Services	January 01, 2018 upto December 2018	Rs.27.75 per candidate per course for Center Life Cycle Management system and Rs. 27.75 per candidate per course for Candidate Administrative Life Cycle Management system	05.03.2018
10	Secured Remote Paper Delivery Services	Business Support services	June 15, 2017 to March 31, 2019	50% of the price quoted by HKCL to its customer after Confirmation from MKCL	08.08.2017
11	Wave Courses	Skill Development Support Services	November 1, 2017 to October 31, 2022	Rs.225/- plus Applicable taxes per confirmed learner Rs. 75/- plus Applicable Taxes for per confirmed Re-examination Learner	24.10.2016
	Nature of Transaction			Amount (In Rs.)	
	Purchase of books from Maharashtra Knowledge Corporation Limited			Rs. 1,500,000.00	
	For other service charges in respect to services received from Maharashtra Knowledge Corporation Limited			Rs. 70,460,498.00	
	Dividend Paid to MKCL			Rs. 6,00,000.00	

**For and on behalf of Board of
Haryana Knowledge Corporation Limited**

**Ankur Gupta, IAS
Chairman
DIN - 01892533**

**Naresh Deshmukh
Managing Director & CEO
DIN: 08274149**

**Sunita Arora
Company Secretary
ACS : 24763**

Date: 20.05.2019
Place: Chandigarh

Annexure 3 to Director's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken to the CSR policy and projects or programs:

The Board of Haryana Knowledge Corporation Limited in its meeting decided that CSR Fund for FY 2018-19 shall be utilized in activities allowed under Section 135 of the Companies Act, 2013 except for donation in any State/Welfare/National Fund The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

2. The composition of the Internal CSR committee: The Company has constituted an Internal Corporate Social Responsibility Committee to implement the CSR Activity as suggested by Board and CSR Committee constituted for HKCL as per the provisions of Section 135 of the Companies Act, 2013 and details of its members are as follows: -

S. No.	Name of the Committee member	Designation
1.	Mr. Naresh Dilip Deshmukh	Managing Director cum CEO
2.	Mrs. Sunita Arora	Company Secretary
3.	Mr. Amit Kundal	Accountant
4.	Mr. Jitendra Singh	Administrative Co-Ordinator
5.	Mr. Karan Singh	Support Executive

3. Average adjusted net profit of the company for last three financial years for the purpose of computation of CSR given hereunder: -

S. No.	Financial Year	Adjusted Net Profit (In Rs.)
1.	2015-2016	17,508,850/-
2.	2016-2017	23,511,710/-
3.	2017-2018	60,298,769/-
TOTAL		10,13,19,329

Average adjusted net profit of the company (Total Net profit during 3 year/3) = 33,773,110/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) i.e. (2% of Rs. 33,773,110/-) = Rs. 6,75,462/-

5. Details of CSR spent during the financial year: -

- (a) Total amount to be spent for financial year 2018-19: **Rs. 6,75,462/-**
- (b) Amount spent on CSR during the financial year: **Rs. 2,55,414/- (excluding GST)**
- (c) Amount unspent during financial year 2018-19: **Rs. 4,20,048/-**

6. Reasons for not spending the amount:

The Company, being a responsible organization, recognizes its social responsibility to contribute towards the activities for the benefit and development of the Society. However, the Company could not find any suitable project during the financial year 2018 -19 to contribute towards its CSR obligations. But Company is contributing to the social activities in the best possible manner.

7. We hereby confirm on behalf of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

P. K. Bhasin & Associates
Chartered Accountants
S.C.O. 356, Sector 32 - D,
Chandigarh - 160 031
Ph: 0172-2604579, 2614779 & 9417089140

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Haryana Knowledge Corporation Limited,
Panchkula

Report on the Financial Statements

We have audited the accompanying financial statements of **Haryana Knowledge Corporation Limited**, which comprise the balance sheet as at 31st March 2019 and the statement of profit and loss for the year ended 31st March 2019, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

1. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and its profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet and the statement of profit and loss dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company if any.

Place: Chandigarh

Date: 20.05.2019

for P. K. Bhasin & Associates

Chartered Accountants

(P. K. Bhasin)

Membership No. 086876

P. K. Bhasin & Associates
Chartered Accountants
S.C.O. 356, Sector 32 - D,
Chandigarh - 160 031
Ph: 0172-2604579, 2614779 & 9417089140

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner at end of the financial year. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, if any.
- (ii) The Company is a service company, primarily rendering eLearning, eGovernance, and empowerment services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The company has neither taken nor granted any loans from to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of

account in respect of undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no material dues including provident fund, income tax, wealth tax, service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with

directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India.

Place: Chandigarh

Date: 20.05.2019

for P. K. Bhasin & Associates

Chartered Accountants

(P. K. Bhasin)

Membership No. 086876

P. K. Bhasin & Associates
Chartered Accountants
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Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Haryana Knowledge Corporation Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of

Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chandigarh

Date: 20.05.2019

for P. K. Bhasin & Associates

Chartered Accountants

(P. K. Bhasin)

Membership No. 086876

Haryana Knowledge Corporation Limited
Standalone Balance Sheet
as at 31 March 2019

Particulars	Notes	As at 31th March, 2019	As at 31th March, 2018	As at 1st April, 2017
A ASSETS				
1 Non-current assets				
Property, plant and equipment	2.1	8,79,418	8,17,582	8,82,680
Intangible assets	2.1	82,350	-	-
Financial assets				
Loans	2.2	20,69,605	20,27,605	17,18,995
Others	2.3	-	-	-
Non current tax assets (net)				
Deferred tax assets (net)		8,88,227	-	-
Other non-current assets	2.4	12,99,248	-	-
Total Non-Current Assets (A)		52,18,848	28,45,187	26,01,675
2 Current assets				
Financial assets				
Trade receivables	2.5	16,92,83,182	8,18,42,730	1,43,94,265
Cash and cash equivalents	2.6	1,84,30,089	2,08,89,529	3,39,94,056
Bank balances other than Cash and Cash equivalents above	2.6	5,63,00,000	3,72,77,778	2,00,59,189
Loans	2.2	5,00,000	-	-
Others	2.3	89,91,055	51,32,254	35,04,482
Other current assets	2.4	19,39,956	68,003	1,00,328
Assets classified as held for sale		-	-	-
Total Current Assets (B)		25,54,44,283	14,52,10,295	7,20,52,319
TOTAL - ASSETS (A)+(B)		26,06,63,130	14,80,55,482	7,46,53,994
B EQUITY AND LIABILITIES				
1 Equity				
Equity Share capital	2.7	2,00,00,000	2,00,00,000	2,00,00,000
Other equity	2.8	12,38,61,721	5,92,02,951	1,81,95,984
Total Equity & Reserve (C)		14,38,61,721	7,92,02,951	3,81,95,984
2 LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings				
Other financial liabilities	2.10	-	-	-
Provisions	2.11	-	-	-
Other non-current liabilities	2.12	12,99,248	-	-
Total Non-current liabilities (D)		12,99,248	-	-
3 Current liabilities				
Financial liabilities				
Borrowings				
Trade payables	2.9	-	-	-
Other financial liabilities	2.10	9,30,19,177	5,62,20,255	2,78,32,259
Provisions	2.11	30,00,000	55,45,018	49,70,676
Other current liabilities	2.12	1,94,82,983	70,87,259	36,55,075
Total Current liabilities (E)		11,55,02,161	6,88,52,532	3,64,58,010
TOTAL - EQUITY AND LIABILITIES (C)+(D)+(E)	(C)	26,06,63,130	14,80,55,482	7,46,53,994

Summary of significant accounting policies
The attached notes refer to an integral part of standalone IND-AS financial statements.

Audit report
In terms of our report of even date
for **P. K. Bhasin & Associates**
Chartered Accountants

(Ankur Gupta) IAS (Naresh Deshmukh) (Sunita Arora)
Chairman Managing Director & CEO Company Secretary

(P. K. Bhasin)
M. No. 086876

Place : Chandigarh
Dated : 20th May, 2019

Haryana Knowledge Corporation Limited

Statement of Standalone Profit & Loss

for the year ended 31 March 2019

Particulars	Notes	Year ended 31th March, 2019	Year ended 31th March, 2018
I. Revenue			
Revenue from Operations	2.13	25,27,92,031	17,24,82,595
Other Income	2.14	36,65,351	33,43,404
Total Revenue		25,64,57,382	17,58,25,999
II. Expenses			
Employee Benefits Expense	2.15	2,03,72,312	1,81,09,535
Other Expenses	2.16	7,47,66,395	3,48,08,361
Software & Technical Fee	2.17	7,08,51,673	6,20,85,085
Depreciation and Amortisation Expense	2.18	5,23,479	5,24,249
Total Expenses		16,65,13,859	11,55,27,230
III. Profit/Loss Before Tax (I-II)		8,99,43,523	6,02,98,769
IV. Tax Expense	2.19		
Tax Expense :			
Current Tax		2,61,72,979	1,68,84,603
Less : MAT Credit Entitlement		-	-
Deferred Tax		-8,88,227	-
Current tax for earlier years		-	-
Income tax expenses		2,52,84,752	1,68,84,603
V. Profit for the year (III- IV)		6,46,58,771	4,34,14,166
VI. Other comprehensive income (III- IV)			
Total comprehensive income for the year		6,46,58,771	4,34,14,166
VII. Earnings per equity share- Basic and diluted			

Audit report
In terms of our report of even date

for Haryana Knowledge Corporation Limited

for P. K. Bhasin & Associates
Chartered Accountants

(Ankur Gupta) IAS (Naresh Deshmukh) (Sunita Arora)
Chairman Managing Director & CEO Company Secretary

(P. K. Bhasin)
M. No. 086876

Place : Chandigarh
Dated : 20th May, 2019

Haryana Knowledge Corporation Limited
Standalone Cash Flow Statement
for the year ended 31 March 2019

	Year ended 31st March 2019	Year ended 31st March 2018
A. Cash Flow From Operating Activities		
Profit before tax	8,99,43,523	6,02,98,769
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortisation	5,23,479	5,24,249
Finance cost	-	-
Interest income	-36,65,351	-33,43,404
Operating Profit before working capital changes	8,68,01,651	5,74,79,613
Movements in working capital :		
Decrease/(Increase) in trade receivables	-8,74,40,452	-6,74,48,465
Decrease/(Increase) in other financial assets	-44,00,801	-19,36,383
Decrease/(Increase) in other current assets	-18,71,953	32,325
Increase/(Decrease) in other financial liabilities	3,67,98,922	2,83,87,997
Increase/(Decrease) in provisions	-25,45,018	5,74,342
Increase/(Decrease) in other current liabilities	1,23,95,725	34,32,184
Cash Generating from Operating Activities	3,97,38,074	2,05,21,612
Income Tax Paid	-2,61,72,979	-1,68,84,603
A. Net Cash from/ (used in) Operating Activities	1,35,65,095	36,37,009
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment	-5,67,664	-4,84,651
Purchase of intangible assets	-1,00,000	-
Sale/Disposal of property, plant & equipment	-	25,500
Interest received	36,65,351	33,43,404
B. Net Cash from Investing Activities	29,97,687	28,84,253
C. Cash Flow from Financing Activities		
Dividends paid	-	-20,00,000
Dividend distribution tax paid	-	-4,07,200
C. Net Cash flow from/ (used in) Financing Activities	-	-24,07,200
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	1,65,62,782	41,14,063
Cash & Cash Equivalents as at the beginning of the year	5,81,67,307	5,40,53,245
Cash & Cash Equivalents as at the end of the year	7,47,30,089	5,81,67,307

Audit report
In terms of our report of even date

for Haryana Knowledge Corporation Limited

for P. K. Bhasin & Associates
Chartered Accountants

(Ankur Gupta) IAS (Naresh Deshmukh) (Sunita Arora)
Chairman Managing Director & CEO Company Secretary

(P. K. Bhasin)
M. No. 086876

Place : Chandigarh
Dated : 20th May, 2019

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.1 Property Plant & Equipment

Particulars	Plant and Machinery	Furniture & fixtures	Computer equipment	Office equipment	Total
Gross Block					
(Deemed cost)					
As at 01 April 2017	2,39,000	1,36,680	3,99,259	1,07,741	8,82,680
Additions :	1,26,971	-	3,39,280	18,400	4,84,651
Disposals :	12,000	-	13,500	-	25,500
As at 31 March 2018	3,53,971	1,36,680	7,25,039	1,26,141	13,41,831
Additions :	1,07,745	2,800	4,57,119	-	5,67,664
Disposals :	-	-	-	-	-
As at 31 March 2019	4,61,716	1,39,480	11,82,158	1,26,141	19,09,495
Depreciation					
As at 01 April 2017	-	-	-	-	-
For the year	50,754	35,386	3,94,775	43,333	5,24,249
Disposals/ adjustments	-	-	-	-	-
As at 31 March 2018	50,754	35,386	3,94,775	43,333	5,24,249
For the year	65,043	26,384	3,81,858	32,544	5,05,829
Disposals/ adjustments	-	-	-	-	-
As at 31 March 2019	1,15,797	61,770	7,76,633	75,876	10,30,077
Net Block					
As at 01 April 2017	2,39,000	1,36,680	3,99,259	1,07,741	8,82,680
As at 31 March 2018	3,03,217	1,01,294	3,30,264	82,808	8,17,582
As at 31 March 2019	3,45,919	77,710	4,05,525	50,265	8,79,418

2.1 Intangible assets

Particulars	Computer Software
Gross Block	
(Deemed cost)	
As at 01 April 2017	-
Additions :	-
Disposals :	-
As at 31 March 2018	-
Additions :	1,00,000
Disposals :	-
As at 31 March 2019	1,00,000
Depreciation	
As at 01 April 2017	-
For the year	-
Disposals/ adjustments	-
As at 31 March 2018	-
For the year	17,650
Disposals/ adjustments	-
As at 31 March 2019	17,650
Net Block	
As at 01 April 2017	-
As at 31 March 2018	-
As at 31 March 2019	82,350

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.2. Loans

(Unsecured, considered good unless otherwise stated)

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
A.- Non- Current			
Security Deposit	20,69,605	20,27,605	17,18,995
Others	-	-	-
Total-A	20,69,605	20,27,605	17,18,995
B. Current			
Security Deposit	5,00,000	-	-
Others	-	-	-
Total-B	5,00,000	-	-
Total Loans (A+B)	25,69,605	20,27,605	17,18,995

2.3. Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
A.- Non- Current			
Interest accrued but not due	-	-	-
Margin money with banks	-	-	-
Total-A	-	-	-
B. Current			
Interest accrued but not due	27,96,899	24,15,670	12,69,638
Study Material In Hand & with ALCs	20,72,000	25,86,400	22,34,100
Amount Receivable from MDA	-	1,29,440	-
Receivable from ALC	8,208	-	-
Advance to N.K. Enterprises	744	744	744
Income Tax refundable AY 2018-19	1,73,753	-	-
Income Tax refundable AY 2019-20	39,39,451	-	-
Total-B	89,91,055	51,32,254	35,04,482
Total other financial assets (A+B)	89,91,055	51,32,254	35,04,482

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.4. Other assets

(Unsecured, considered good unless otherwise stated)

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
A.- Non- Current			
Group Gratuity Scheme Fund - LIC	12,99,248	-	-
Total-A	12,99,248	-	-
B. Current			
Advance for Plot	15,36,175	-	-
Advance to employees	2,809	-	23,709
Advance to Post Offices	14,835	-	-
Prepaid expenses	3,18,518	-	
Advance to Bharati Airtel	14,119	-	-
Advance to RealSoft	-	7,080	-
Advance to New India Assurance	53,500	60,923	-
Pre-liminary expenses	-	-	76,619
Total-B	19,39,956	68,003	1,00,328
Total others assets (A+B)	32,39,204	68,003	1,00,328

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.5. Trade Receivables

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
Unsecured considered good	16,92,83,182.39	8,18,42,730.39	1,43,94,265.00
Doubtful	-	-	-
Less : Allowance for doubtful debts	-	-	-
Total-A	16,92,83,182.39	8,18,42,730.39	1,43,94,265.00
Non Current			
Current	16,92,83,182.39	8,18,42,730.39	1,43,94,265.00
Total	16,92,83,182.39	8,18,42,730.39	1,43,94,265.00

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.6. Cash & bank balances

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
Cash on hand	2,636	3,385	3,163
Cheques on hand	-	-	-
Bank balances			
In current accounts	1,84,27,453	2,08,86,144	3,39,90,893
Total-A	1,84,30,089	2,08,89,529	3,39,94,056
B. Bank balances other than above			
Margin money with banks (deposits with maturity of less than 12 months)	5,63,00,000	3,72,77,778	2,00,59,189

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.7. Equity Share Capital

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
Authorized			
50000000 (equity shares of Rs.10 each)	5,00,00,000	5,00,00,000	5,00,00,000
Issued, subscribed & fully paid up			
20000000 (equity shares of Rs.10 each)	2,00,00,000	2,00,00,000	2,00,00,000
Total	2,00,00,000	2,00,00,000	2,00,00,000

a. Reconciliation of shares at the beginning and the end of the reporting period

Equity shares:	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued during the year						
At the end of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000	20,00,000	2,00,00,000

b. Rights, preferences and restrictions attached to equity shares

c. Details of shareholders holding more than 5% shares in the Company

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up						
MKCL	6,00,000	30.00%	6,00,000	30.00%	6,00,000	30.00%
E&IT Department, Govt of Haryana	6,00,000	30.00%	6,00,000	30.00%	6,00,000	30.00%
Hartron	3,00,000	15.00%	3,00,000	15.00%	3,00,000	15.00%

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.8. Other Equity

A. Summary of other equity

	General Reserve	Retained earnings	Remeasurements of defined benefit plans	Total
Balance as at 1st April 2017	-	1,81,95,984	-	1,81,95,984
Profit for the year		4,34,14,166		4,34,14,166
Less :				
Dividends		20,00,000		20,00,000
Dividend Distribution Tax		4,07,200		4,07,200
Balance as at 31st March 2018		5,92,02,951		5,92,02,951
Profit for the year		6,46,58,771		6,46,58,771
Dividends during the year		-		-
Dividend Distribution Tax		-		-
Balance as at 31st March 2019	-	12,38,61,721	-	12,38,61,721

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.9 Trade payables

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
Trade payables	-	-	-
Total outstanding due of micro and small enterprises	-	-	-
Total outstanding due of creditors other than micro and small enterprises	-	-	-
Total	-	-	-

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.10 Other financial liabilities

	As at	As at	As at
	31st March 2019	31st March 2018	1st April 2017
Payable to MKCL	7,89,72,740	4,35,44,433	2,26,30,987
Audit fee payable	76,700	35,400	35,400
Credit Card Payment	2,30,721	68,043	4,677
Employee benefit expenses payable	69,61,957	45,47,022	24,10,340
Rolling constructions Pvt Ltd (Rent, Maintenance & Electricity)	3,246	24,034	3,25,027
Excess received via Payment Gateways	7,33,694	1,22,791	33,688
Expenses Payable	8,24,634	14,45,303	3,41,640
Amount Payable to DMER(PG Admissions)	29,08,485	35,91,753	-
Amount payable to Hartron for SCTC	-	7,35,976	-
Advance From Non Registered AO's 2015- Refundable	34,000	34,000	34,000
Advance From Non Registered AO's 2016- Refundable	34,000	17,000	51,000
Advance From Non Registered AO's 2017- Refundable	34,000	69,500	2,05,500
Books Security from ALC's - Refundable	22,05,000	19,85,000	17,60,000
Total	9,30,19,177	5,62,20,255	2,78,32,259

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.11 Provisions

	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Non- Current	Current	Non- Current	Current	Non- Current	Current
A. Provision for employee benefits						
Gratuity	-	-	-	1,61,571	-	10,42,825
OPLA	-	30,00,000		20,00,000		15,00,000
B. Other provisions						
Dividend	-	-	-	24,07,200	-	24,07,200
Provision for tax	-	-	-	9,76,247	-	20,651
Total	-	30,00,000	-	55,45,018	-	49,70,676

**Notes to the Standalone IND AS Financial Statements
for the year ended 31st March 2019**

2.12 Other liabilities

	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
A.- Non- Current			
Employees Group Gratuity Scheme Fund payable	12,99,248	-	-
Total-A	12,99,248	-	-
B. Current			
Statutory dues	1,78,85,577	58,75,627	22,50,130
Advance received from MDA	-	-	3,34,978
Advance From Registered ALC's	11,29,607	8,77,832	7,62,167
Advance From Non Registered AO's 2018	1,60,000	26,000	-
Security received from SCERT	3,07,800	3,07,800	3,07,800
Total-B	1,94,82,983	70,87,259	36,55,075
Total others liabilities (A+B)	2,07,82,232	70,87,259	36,55,075

NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH 2019

HARYANA KNOWLEDGE CORPORATION LIMITED

(Amount in Rs.)			
Note No.	PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
2.13	Revenue from Operations		
	Income from Centre Registration	5,88,000	6,00,000
	Income from Centre Renewal	9,94,500	9,18,000
	Income from faculty selection	82,500	64,500
	Income from ALC (Marketing Fund)	24,30,000	21,06,000
	Income from processing fee	1,31,000	1,36,500
	Income from HSCIT Course-Learner Fee	2,20,13,200	1,26,24,700
	Income from Annual Fee -KLiC	-	9,000
	Income from Re-exam fee	7,87,950	1,48,900
	Income from KLiC Course-Learner fee	-	81,450
	Income from Wave-Learner fee	28,48,200	12,57,200
	Haryana State Telant Search Participation Fee	57,990	-
	Income from various jobs	14,14,72,607	11,82,40,833
	Income from Manpower outsourcing	8,13,86,084	3,62,95,512
		25,27,92,031	17,24,82,595
2.14	Other Income		
	Interest on short term deposits	36,65,351	33,37,944
	Other Interest	-	1,480
	Staff Deductions	-	3,980
		36,65,351	33,43,404

HARYANA KNOWLEDGE CORPORATION LIMITED			
		(Amount in Rs.)	
Note No.	PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
2.15	Employee Benefits Expense		
	Salary and Allowances	2,03,10,491	1,80,44,366
	Staff Welfare/employee benefit expenses	61,821	65,169
		2,03,72,312	1,81,09,535
2.16	Other Expenses		
	Advertisement & Publicity	27,91,530	28,72,030
	Study Material	20,13,700	11,47,700
	Books & Periodicals	1,705	770
	Business Promotion	85,217	95,983
	Professional & Consultancy Fee	5,14,90,157	1,90,33,095
	Computer & Laptop Maintenance	16,321	77,397
	Travelling & Conveyance	11,81,003	12,61,409
	Examination Expenses	5,16,000	1,45,500
	Electricity Charges	1,75,904	1,49,627
	Fee & Subscription	83,771	47,958
	Function & Festival Expenses	73,496	1,03,006
	Honorarium & Stipend	62,06,215	22,11,102
	House Furnishing (MD)	-	500
	Office Maintenance	1,83,850	80,832
	Audit Fee	41,300	35,400
	ANM/GNM Admission Charges	-	30,500
	Interest on taxes	3,172	7,463
	Reward & Prizes	8,79,510	28,600
	Microsoft License Fee	1,24,983	14,75,254
	Bank Charges	3,576	2,278
	Postage & Courier	3,04,800	1,59,097
	Staff Refreshment	1,86,108	1,52,232
	Preliminary expenses	-	76,619
	Prior Period expenses	6,824	-
	Printing and Stationery	2,42,225	1,86,841
	Rent & Maintenance	40,74,220	37,59,629
	Seminars & Meeting expenses	2,64,750	3,16,316
	Swatch Bharat Cess	-	80,135
	Telephone & Internet Expenses	7,70,025	9,39,225
	Project Support services	14,72,311	-
	HSCIT Exam Investigation Expenses	8,78,400	-
	CSR Activities	2,55,414	-
	Laptop & Printer Rent	75,000	1,00,403
	Misc Expenses	2,895	8,758
	Hospitality & Accommodation Charges	9,680	9,200
	Center Renewal Fee	14,000	15,100
	AMC Charges	35,750	32,500
	Web Server & online Space charges	3,02,584	1,65,903
		7,47,66,395	3,48,08,361
2.17	Software & Technical Fee		
	Royalty for Software Services	7,04,60,498	6,08,81,298
	Business support services	-	9,06,412
	Wave/HSCIT Certification Fee	3,91,175	2,97,375
		7,08,51,673	6,20,85,085
2.18	Depreciation and Amortisation Expense		
	Depreciation	5,23,479	5,24,249
		5,23,479	5,24,249