



## **AUDITORS' REPORT**

1. We have audited the attached Balance Sheet of Media Lab Asia (A Company Limited by Guarantee under Section 25 of the Companies Act, 1956) as at March 31, 2011 and the related Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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. This report does not contain a statement on the matters specified in paragraphs 4 and 5 of the Companies (Auditor's Report) (Amendment) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') as the said Order is not applicable to the Company, being a company licensed to operate under Section 25 of the Act.
4. (a) We have relied on the statement of expenses aggregating to Rs.5,794,626 and gross book value of fixed assets aggregating to Rs.528,563 of the National Association for the Blind - New Delhi, Digital Empowerment Foundation, and Banaras Hindu University - Varanasi, which have been incorporated into the Company's books of account on the basis of the statements of account submitted by these organisations duly certified by other Chartered Accountants and accepted by us as correct except for the following:-  
**Amounts of Rs. 1,015,014 ( PY Rs. 941,267) for the financial year 2010-11 have been correctly classified as Revenue Expenses in the books of Account of the Company, although these were wrongly classified as Capital Expenditure in**

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**the audited statements of account submitted by Digital Empowerment Foundation (Refer Note 5 of Schedule 12 )**

- (b) We have relied on the unaudited statement of expenses aggregating to Rs. 17,087,488/- (including Rs 342,259 of the previous years) and gross book value of fixed assets aggregating to Rs. 6,334,191 (including Rs 6,320,911 of the previous years), of IIT Kharagpur, International Institute of Information Technology (IIIT) Hyderabad, Amrita Vishwa Vidyapeetham, - Kollam , State Education Department - Mizoram, Centre for Development and Advanced Computing ( CDAC) - Thiruvanthapuram , CDAC - Pune, Rehabilitation Council of India - New Delhi and Webel Mediatronics Ltd - Kolkatta which have been incorporated into the Company's books of account on the basis of statements of account submitted by these organisations, duly certified by the Heads of the concerned Departments/ Institutions. (Refer Note 5 of Schedule 12).
- Loans and Advances include amounts of Rs 1,554,590 (net) and Rs 771,025 given to IIT Kanpur and C-DAC Thiruvananthapuram respectively for projects for which statements of expenses have been received from the respective institutions but have not been incorporated into the Company's books of account as complete details were not available . We are informed the same will be accounted in 2011-12.

The extent of consequential adjustments, if any, which would arise on receipt of audited/ certified statements of expenses and audited/certified details of fixed assets from the IIT and other organisations mentioned above is currently not ascertainable.

5. Further to our comments in paragraph 4 above, we report that:

- a) Except as stated in Note 6 of Schedule 12 relating to non disclosure of expenditure in foreign currency incurred by the IIT and certain organizations, we have 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, subject to our comments made in Para 5(d) below, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;

SSE & Co.

**SORAB S. ENGINEER & CO.**

- d) In our opinion and to the best of our information, except for the accounting of expenses incurred against the advances made to the IIT and certain other organizations on a cash basis (Refer Note 1(a) of Schedule 12), the Balance Sheet and the Income and Expenditure Account dealt with by this report have been prepared in compliance with the accounting standards referred to in Section 211(3C) of the Act;
- e) On the basis of written representations received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon and schedules annexed thereto, give the information required by the Companies Act, 1956 in the manner so required and subject to our comments in paragraphs 4 (a) & (b) and 5(a),(b) and (d) above, give a true and fair view in conformity with the accounting principles generally accepted in India:
1. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2011; and
  2. In the case of the Income and Expenditure Account, its income/expenditure for the year ended on that date.

**For SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration Number 110417W

*R. N. Anklesaria*

**R.N. Anklesaria**

Partner

Membership No. 034461

Place: Mumbai

Date: 2<sup>nd</sup> December 2011

**MEDIA LAB ASIA**  
(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**BALANCE SHEET AS AT MARCH 31, 2011**

		As at March 31, 2011		As at March 31, 2010	
	Schedule	Rupees	Rupees	Rupees	Rupees
<b><u>SOURCES OF FUNDS</u></b>					
Capital			-		-
Reserves and Surplus	1		82,876,827		31,594,151
Unsecured Loans			-		20,000
<b>TOTAL</b>			<b>82,876,827</b>		<b>31,614,151</b>
<b><u>APPLICATION OF FUNDS</u></b>					
<b><u>FIXED ASSETS</u></b>					
	2				
Gross Block		215,267,811		149,014,235	
Less : Depreciation		132,390,983		117,420,084	
Net Block		82,876,828		31,594,151	
Add : Capital Work-in-Progress (Including Advances)		-		407,225	
			82,876,828		32,001,376
<b><u>INVESTMENTS</u></b>					
2400 Equity Shares @ Re 1 each (cost)			2,400		2,400
(Refer Note 11 of Schedule 12)					
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>					
Cash and Bank Balances	3	375,267,742		322,810,798	
Other Current Assets	4	55,238,696		1,717,715	
Loans and Advances	5	20,434,863		9,517,918	
		450,941,301		334,046,431	
<b><u>Less : CURRENT LIABILITIES AND PROVISIONS</u></b>					
	6				
Liabilities		449,861,955		333,348,857	
Provisions		1,081,747		1,087,199	
		450,943,702		334,436,056	
<b>NET CURRENT ASSETS</b>			(2,401)		(389,625)
<b>TOTAL</b>			<b>82,876,827</b>		<b>31,614,151</b>

**NOTES TO ACCOUNTS** 12

The Schedules referred to herein above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

**For SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration Number 110417W

*R.N. Anklesaria*

**R.N. Anklesaria**

Partner

Membership No. 34461

Place : Mumbai

Date : 24-12-2011



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

Director

*[Signature]*

Director

*[Signature]*



Place : New Delhi

Date :

**12 2 DEC 2011**

**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

		For the year ended March 31, 2011		For the year ended March 31, 2010	
	Schedule	Rupees	Rupees	Rupees	Rupees
INCOME					
Grant-in-aid (Refer Notes 1(d) and 8 of Schedule 12)	7		165,814,904		104,552,597
Other Income	8		8,014,405		11,049,174
TOTAL			173,829,309	115,601,771	
EXPENDITURE					
Research and Development Expenditure (Refer Note 1(h) of Schedule 12)	9		140,232,090		101,778,936
Employee Cost	10		5,148,227		4,630,558
Administration and Other Expenses	11		28,448,992		9,192,277
Depreciation (total)					
On Research assets		13,977,263		14,595,986	
On Other assets		1,423,546		1,017,388	
		15,400,809		15,613,374	
Less: Transferred from Reserve for Fixed Assets (Refer Schedule 1)		15,400,809	-	15,613,374	-
TOTAL			173,829,309	115,601,771	

**NOTES TO ACCOUNTS**

12

The Schedules referred to herein above form an integral part of the Income and Expenditure Account.

This is the Income and Expenditure Account referred to in our report of even date.

**For SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration Number 110417W

*R. N. Anklesaria*

**R.N. Anklesaria**

Partner

Membership No. 34461

Place : Mumbai

Date : 22-12-2011

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

Director

*[Signature]*

Director

*[Signature]*

Place : New Delhi

Date :

22 DEC 2011





**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

	As at March 31, 2011		As at March 31, 2010	
	Rupees	Rupees	Rupees	Rupees
<b>Schedule - 1</b>				
<b>RESERVES AND SURPLUS</b>				
(Refer Schedule 6 and Note 1(d) of Schedule 12)				
<b>Reserve for Fixed Assets</b>				
As per last Balance Sheet	31,594,151		41,354,756	
Add :				
Assets purchased during the year	66,751,270		5,897,494	
Less :				
Written down value of deletions during the year	67,785		44,725	
		98,277,636		47,207,525
Less:				
Transferred to Income and Expenditure Account for Depreciation for the year		15,400,809		15,613,374
<b>TOTAL</b>		<b>82,876,827</b>		<b>31,594,151</b>



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**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

**Schedule - 2  
FIXED ASSETS**

(Refer Notes 1(b), (c), (d) and 7 of Schedule 12)

Amount in Rupees

DESCRIPTION OF ASSETS	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK	
	As at April 1, 2010	Additions during the year	Deductions during the year	As at March 31, 2011	As at April 1, 2010	For the year* On Deductions during the year	As at March 31, 2011	As at March 31, 2010
Facility Improvements	9,253,940	-	-	9,253,940	8,222,985	429,182	601,773	1,030,955
Data Processing Machines, Software and Other Equipment	113,487,050	6,923,520	-	120,410,570	93,671,552	11,491,349	15,247,669	19,815,498
Office Equipment	15,819,040	825,449	-	16,644,489	8,065,527	1,240,221	7,338,741	7,753,512
Furniture and Fixture	9,518,779	717,971	497,694	9,739,056	6,616,119	598,061	2,954,785	2,902,660
Vehicle	935,426	2,338,330	-	3,273,756	843,900	1,561,324	868,532	91,526
Lease Hold Premises	-	55,946,000	-	55,946,000	-	80,672 **	55,865,328	-
<b>TOTAL</b>	<b>149,014,235</b>	<b>66,751,270</b>	<b>497,694</b>	<b>215,267,811</b>	<b>117,420,083</b>	<b>15,400,809</b>	<b>82,876,828</b>	<b>31,594,151</b>
Previous Year	143,168,230	5,897,494	51,489	149,014,235	101,813,474	15,613,374	31,594,151	
Capital Work-in-Progress (including capital advances Rs. Nil; Previous Year :Rs.407,225/-)								
* Includes Rs.3,557,501/- relating to previous years								407,225
**Prorata amortisation from 10.02.2011 over lease period of 95 years								<b>82,876,828</b>
								<b>32,001,376</b>



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*M. S.*

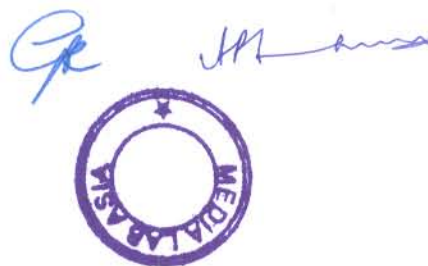


**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

	<b>As at March 31, 2011 Rupees</b>	<b>As at March 31, 2010 Rupees</b>
<b>Schedule - 3</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	136,880	46,586
Balance with Scheduled Banks		
- In Current Accounts	21,120,101	4,521,055
- In Savings Accounts	208,549	305,618,483
- In Deposit Accounts	353,802,212	12,624,674
<b>TOTAL</b>	<b>375,267,742</b>	<b>322,810,798</b>
<b>Schedule - 4</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued but not due on Fixed Deposits	6,501,114	244,055
Sundry Debtors - Unsecured -considered good		
Debts outstanding for a period exceeding six months	64,099	-
Other Debts	19,833	218,835
Tender Deposit	-	1,254,825
Grant-in-aid Receivable	48,653,650	-
<b>TOTAL</b>	<b>55,238,696</b>	<b>1,717,715</b>
<b>Schedule - 5</b>		
<b>LOANS AND ADVANCES - UNSECURED CONSIDERED GOOD</b>		
Advances Recoverable in cash or kind or for Value to be Received		
- Indian Institutes of Technology and Other Organisations (Refer Note 1(f) of Schedule 12)	5,532,623	(11,726,211)
- Other Advances	6,549,061	14,302,632
Deposits	6,239,179	5,917,261
Tax Deducted at Source	2,114,000	1,024,236
<b>TOTAL</b>	<b>20,434,863</b>	<b>9,517,918</b>



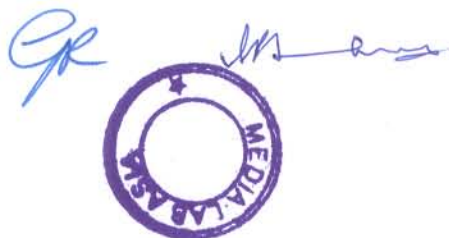


**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

	Rupees	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
<b>Schedule - 6</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
Sundry Creditors (Refer Note 16 of Schedule 12)			
- Small Scale Industrial Undertakings		-	-
- Others		2,909,869	2,263,375
Security Deposit		43,000	43,000
Other Liabilities		6,190,247	3,964,996
Unutilised Grant-in-aid (Refer Notes 1(d) and 8 of Schedule 12)			
As per last Balance Sheet	327,077,486		97,632,882
Less:			
Amount refunded to the Government of India	1,562,338		3,613,030
Transferred to Reserve for Fixed Assets (Refer Schedule 1)	66,751,270		5,897,494
Add:			
Transferred from Reserve on deletion of Fixed Assets (Refer Schedule 1)	67,785		44,725
Grant Recd. In the current year	347,702,080		343,463,000
Less:			
Transferred to Income and Expenditure Account (Refer Schedule 7)	165,814,904		104,552,597
		440,718,839	327,077,486
<b>TOTAL</b>		<b>449,861,955</b>	<b>333,348,857</b>
<b>PROVISIONS</b>			
Leave Encashment		1,081,747	1,087,199
(Refer Note 1(e) and 13 of Schedule 12)			
<b>TOTAL</b>		<b>1,081,747</b>	<b>1,087,199</b>



**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 2011**

	For the year ended March 31, 2011 Rupees	For the year ended March 31, 2010 Rupees
<b>Schedule - 7</b>		
<b>GRANT-IN-AID</b>		
Transferred from Unutilised Grant-in-aid (Refer Schedule 6 and Notes 1(d) and 8 of Schedule 12)	165,814,904	104,552,597
<b>TOTAL</b>	<b>165,814,904</b>	<b>104,552,597</b>

**Schedule - 8****OTHER INCOME**

Interest on:		
- Bank Deposits (Tax deducted at source Rs.5,625/- Previous year Rs.4,003/-)	2,230,687	2,018,932
- Savings Bank accounts	-	753,549
Income from Consultancy Fees	2,148,780	492,379
Income from Transfer of Technology	-	50,000
Credit balances written back	-	7,646,845
Interest on Income Tax Refund	-	23,574
Expenses of previous year written back	3,498,025	-
Interest on Security Deposit	31,874	6,587
Interest on NISG Advance	105,039	57,308
<b>TOTAL</b>	<b>8,014,405</b>	<b>11,049,174</b>

**Schedule - 9****RESEARCH AND DEVELOPMENT EXPENDITURE**

Expenses - Indian Institutes of Technology and Other Organisations (Refer Note 1(f) of Schedule 12)	24,769,187	62,477,498
Salaries, Bonus etc.	98,957,546	23,219,028
Contribution to Provident Fund & other Funds	906,367	886,565
Travel and Conveyance	38,734	135,735
Research Workshops and Conferences	329,146	1,703,664
Other Services	761,599	612,543
Communication	1,125,499	1,172,397
Maintenance	13,181,871	11,571,506
Trademark Registration	162,141	-

**TOTAL****140,232,090****101,778,936**


**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 2011**

	For the year ended March 31, 2011 Rupees	For the year ended March 31, 2010 Rupees
<b>Schedule - 10</b>		
<b>EMPLOYEE COST</b>		
Salaries, Bonus etc.	4,342,548	4,129,318
Contribution to Provident Fund & other Funds	222,000	331,357
Staff Welfare	583,679	169,883
<b>TOTAL</b>	<b>5,148,227</b>	<b>4,630,558</b>

**Schedule - 11  
OTHER EXPENSES**

Electricity	1,485,283	1,515,048
Rent, Rates and Taxes	1,302,159	1,406,147
Repairs and Maintenance		
Buildings	-	-
Others	2,698,465	1,973,151
Insurance	123,333	167,320
Office Expenses	2,673,434	426,824
Travel and Conveyance	6,819,637	435,989
Legal and Professional Fees	1,952,527	928,002
Auditors' Remuneration:		
- As Auditors	110,300	66,180
- For Certification	-	13,788
- Out of Pocket Expenses	-	5,515
Loss on sale of discarded assets	50,785	-
Advertising and Conferences	2,390,465	356,803
Recruitment	5,523,842	208,818
Communication	1,653,644	1,465,149
Trademark Registration	-	108,577
Miscellaneous	1,665,118	114,966
<b>TOTAL</b>	<b>28,448,992</b>	<b>9,192,277</b>



**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

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

**Schedule - 12**

**NOTES TO ACCOUNTS**

**1 Significant accounting policies**

**(a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention on an accrual basis of accounting, except for accounting of expenses against advances given to Indian Institutes of Technology and certain other organisations which are accounted on a cash basis, and comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

**(b) Fixed Assets**

Fixed Assets are stated at cost of purchase/ acquisition less accumulated depreciation. All costs including taxes, duties, freight and other incidental expenses relating to acquisition and installation are capitalised. Assets acquired by Indian Institutes of Technology and other organisations are capitalised based on reports, audited by independent Accountants or certified by Heads of concerned organisations, received from the respective entities at periodic intervals. (Refer Note 5)

**(c) Depreciation**

Depreciation on fixed assets has been provided on the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956 except for the following which have been provided at rates higher than those prescribed under Schedule XIV 'Other Research Equipment' @ 40% and 'Air conditioner' @ 18.1%. Premium paid for Leasehold premises is amortised over the period of lease. Assets individually costing Rs. 5,000/- or less, are depreciated fully in the year of acquisition. Depreciation on additions/ deletions to fixed assets is calculated pro rata for the period of use of the assets. Facility Improvements have been depreciated over their estimated useful life.

**(d) Grant-in-aid**

Grant-in-aid is recognised as income in the Income and Expenditure Account to the extent of the amount utilised for expenses incurred. The portion of Grant-in-aid utilised for the purchase of fixed assets, is transferred to Reserve for Fixed Assets. An amount equivalent to depreciation charged during the year on fixed assets, purchased from the Grant-in-aid, is transferred from the Reserve for Fixed Assets to Income and Expenditure Account and reduced from depreciation charge. The unutilised portion of the approved Grant-in-aid is recognised as a liability. (Refer Note 8)

**(e) Retirement Benefits**

**Provident Fund**

Company's contribution to Provident Fund is charged against revenue every year.

**Leave Encashment**

Liability for leave encashment has been provided for based on actuarial valuation, based on unavailed leave standing to the credit of the employees as at the year end.

**Gratuity**

The Company has entered into an agreement with the Life Insurance Corporation of India to administer its Gratuity Scheme.

These contributions are made subject to limits as specified under Income Tax Rules and charged to the Income & Expenditure Account.

**(f) Expenses incurred at Indian Institutes of Technology and other organisations**

Advances to Indian Institutes of Technology and other Organisations are either expensed in the Income and Expenditure Account or capitalised as fixed assets based on expense reports, audited by independent Accountants or certified by Heads of concerned organisations, received from the respective entities at periodic intervals.





**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

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

**Schedule - 12**

**NOTES TO ACCOUNTS**

(g) Foreign Currency Transactions

The company follows the Accounting Standard (A.S.) 11 on "Accounting for the effects of changes in foreign exchange rates" issued by The Institute of Chartered Accountants of India. Foreign currency transactions are accounted at exchange rates prevailing on the transaction date. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment/realisation. Current Assets and Current Liabilities are translated at the rate of exchange prevailing at the year end and the resultant exchange gains or losses are recognised in the Income and Expenditure Account.

(h) Research and Development Expenditure

Research and Development expenditure includes all costs incurred by the Company, Indian Institutes of Technology and other organisations, for the conduct of Research and Development activities.

(i) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

(j) Investments:

(i) Long-Term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of investments, where applicable.

(ii) Current investments are stated at lower of cost and fair value.

(k) Impairment of Assets:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of assets when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the assets belongs exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Income & Expenditure Account.

- 2 The Company was incorporated on September 20, 2001 as a company limited by guarantee and not having a share capital and was granted a license under Section 25 of the Companies Act, 1956. The Company had in its 17th Board meeting held on May 5, 2009 created a separate autonomous division called "National e-Governance Division (NeGD)" for undertaking funded projects/responsibilities in the area of e-Governance. As per the approval of the Honourable MCIT, the division has commenced its operations on 8 June, 2009. The accounts of NeGD for the period upto 31st March 2011 have been consolidated with the financial statements of the Company. The Company had in its 18th Board meeting held on December 22, 2009 created a separate division called "IT Research Academy (ITRA)" for executing ITRA programme. The accounts of ITRA for the period upto 31st March 2011 have been consolidated with the financial statements of the Company.

- 3 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs NIL; (Previous year Rs. NIL).

- 4 The Company has been notified as an institution for charitable purpose under Section 10(23)(C)(iv) of the Income Tax Act, 1961 vide order No.CCIT/MUM/10(23)(C)(iv)/66/2007-08 97 dated 31.10.2007 issued by Ministry of Finance, Department of Revenue, Chief Commissioner of Income Tax, Mumbai from A. Y. 2005-2006 onwards until withdrawn and is therefore entitled to claim exemption from tax, subject to fulfilment of the prescribed conditions.

The Company has also made an application for being approved as a scientific research association by the Central Government under section 35(1)(ii) and section 35(1)(iii) of the Income Tax Act. On receipt of the approval under section 35(1)(ii) of the Act, the Company would be entitled to claim exemption from tax under section 10(21) of the Act.

Further, the Company has also obtained registration under Section 12A of the Income Tax Act, 1961 vide letter No. DIT(E)/12A/36786/2002-2003 dated October 7, 2002 and is therefore entitled to claim exemption from tax under Section 11 of this Act.





**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011****Schedule - 12****NOTES TO ACCOUNTS**

- 5 The Company has received audited statement of expenses and audited details of fixed assets from Banaras Hindu University - Varanasi, National Association for the Blind - New Delhi and Digital Empowerment Foundation. The statement of expenses and details of fixed assets in case of International Institute of Information Technology (IIIT) Hyderabad, Amrita Vishwa Vidyapeetham - Kollam, State Education Department - Mizoram, IIT Kharagpur, Centre for Development and Advanced Computing (CDAC) - Thiruvananthapuram, CDAC Pune, Rehabilitation Council of India - New Delhi and Webel Mediatronics Ltd - Kolkata have been duly certified by the authorised personnel of these Institutions.

The financial statements have been prepared on the basis of such statement of expenses and details of fixed assets, except for the amounts of Rs. 10,15,014/- (P.Y. Rs. 9,41,267/-) appearing as Capital Items in the audited statement of accounts of Digital Empowerment Foundation for the year 2010-11, which are in the management's opinion, Revenue in nature and hence have been accounted for in the Company's books accordingly.

	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
6 Expenditure in Foreign Currency		
Trademark Registration Fees	-	-
Other Expenses (Salary, Travelling, Communication and Other Costs)	-	37,077
<b>Total</b>	<b>-</b>	<b>37,077</b>

Note: Expenditure in foreign currency, if any, incurred by the Indian Institutes of Technology and certain organisations out of the funds advanced to them is not readily available and accordingly the same has not been included above.

- 7 Assets purchased out of the Grant-in-aid without the prior sanction of the Government of India, cannot be disposed off, encumbered or utilised for purposes other than those for which the grant has been sanctioned. Should the Company cease to exist, such assets shall revert to the Government of India who will be free to sell or otherwise dispose off the assets.

- 8 A restructured full scope programme of Media Lab Asia, has been accorded approval by the Central Government for a period of nine years w.e.f. May 1, 2003. The Government of India has provided a Grant-in-aid of Rs.14,86,53,650/- for the year 2010-11, out of which an amount of Rs.10,00,00,000/- (previous year 1,24,59,000/-) has been received upto March 31, 2011 and the balance amount of Rs.4,86,53,650/- has been received in April 2011 which has been recognised as Grant-in-aid Receivable. An amount of Rs.4,48,00,000/- has also been received during the year which belongs to the Grant in aid sanction for the year 2009-10. Any portion of the Grant-in-aid which is not ultimately required for the approved purposes shall be duly surrendered to the Government of India.

The Department of Information Technology, Government of India has approved a total grant of Rs.148.83 Crores over a period of five years for implementation of the Project entitled "IT Research Academy (ITRA)" by Media Lab Asia. The IT Research Academy Division has received Rs.14.33 Crores as grant-in-aid on 6.01.2011.

- 9 The Company has obtained permission under Section 166(1) of the Companies Act, 1956 for extension of the time for conducting its annual general meeting, upto December 31, 2011.

- 10 Employee cost includes remuneration paid to Managing Director Rs.Nil. during the financial year 2010-11 (Previous year Rs.29,78,743/-).

- 11 The Company has entered into MOU with Agrocom Software Technologies Pvt. Ltd. dated 17th September, 2008 for use of Aqua Software license developed by IIT, Bombay. As per the said MOU, the company is entitled to receive royalty at the rate of 0.6% of revenue income from the use of the technology for a period of three financial years commencing from April 2008 to March 2011.

As per the said MOU, the company has received 2400 shares (Face Value of Rs.1 per share) of Agrocom Software Technologies Private Limited. The company has received royalty of Rs. Nil (Previous year Rs.Nil) for the period ended 31st March, 2011.

- 12 The Company has undertaken the project entitled "Development of a set of alternative ICT models based on a study and analysis of the major ICT initiatives in agriculture in India to meet the information need of the Indian farmers" to be operated under consortium mode under the Component 4 of the National Agricultural Innovation Project (NAIP). There are four Consortium Partners viz, Media Lab Asia (MLAsia), (Consortium Leader); National Institute of Rural Development (NIRD), Hyderabad, Acharya N G Ranga Agriculture University (ANGRAU), Hyderabad and Mudra Institute of Communication (MICA), Ahmedabad (Consortium Partners). The project shall continue upto 31 March 2012 or earlier if terminated or later in accordance with the procedure set in the contract and the NAIP rules in force if decided by the competent authority depending on the needs of the NAIP.

The total budget of the project is Rs. 273.83 lakh and the Company will receive their share amounting to Rs. 121.07 lakhs. An amount of Rs. 42.71 lakhs (Previous year Rs.37.61 lakhs) have been received during the year 2010-11 out of which an amount of Rs.20.29 lakhs is spent towards the project during the year. An Amount of Rs.41.57 lakhs is shown under Other liabilities towards NAIP Project.



**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011****Schedule - 12****NOTES TO ACCOUNTS****13 EMPLOYEE BENEFITS**

Consequent to the adoption of Accounting Standard on Employee Benefits (AS15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard:

**DEFINED BENEFIT PLANS****A. CONTRIBUTION TO GRATUITY FUND**

The details of the Company's Gratuity Fund for its employees are given below which have been certified by Life Insurance Corporation of India as on 31<sup>st</sup> March, 2011 and relied upon by the auditors

i	Valuation Method	Projected Unit Credit Method
ii	Actuarial Assumptions	
	Mortality Rate	LIC(1994-96) ultimate
	Withdrawal Rate	1% to 3% depending on age
	Discount Rate	8%
	Salary Escalation	5.50%
iii	Results of Valuation	
	a. PV of Past Service Benefit	1,225,006
	b. Current Service Cost	247,896
	c. Total Service Gratuity	12,708,015
	d. Accrued Gratuity	1,954,480

**B. Leave Encashment**

Payments to and provision for employees includes Rs.335,693 (P.Y. Rs.221,160) towards provision made as per Actuarial Valuation in respect of accumulated leave encashment debited to Profit and Loss Account. Total Liability as per Actuarial Valuation and as reflected in Company's Accounts is Rs. 1,081,747 ( P.Y. Rs.1,087,199)The company has not funded the liability.

**Defined Contribution Plans**

The Company has recognised Rs.1,128,367 (P.Y. Rs.1,217,922) towards Provident Fund / Pension Fund .

- 14 Information with regard to matters specified in paragraphs 3, 4, 4-A, 4-C and 4-D of part II Schedule VI to the Companies Act, 1956, other than those disclosed in the Financial Statements are either nil or not applicable to the Company for the year ended March 31, 2011.
- 15 Media Lab Asia has paid an amount of Rs.55,946,000/- (includes Rs.2,000/- processing fee) as premium towards 95 year lease for the office premises at Samruddhi Venture Park, Central MIDC, Andheri (E), Mumbai -400093, admeasuring 777sq. mts. (Area 8360.52 sq.ft). Possession has been taken over from Maharashtra Industrial Development Corporation from the Tenth day of February 2011. Lease Agreement is yet to be executed. Premium paid for Leasehold premises is amortised over the period of lease.
- 16 Micro & Small Enterprises Dues  
The Company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding :  
a) Amount due and outstanding to suppliers as at the end of the accounting year b) Interest paid during the year c) Interest payable at the end of the accounting year and d) Interest accrued and unpaid at the end of the accounting year have not been given.  
The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.
- 17 The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company
- 18 Party accounts, in debit/credit, are subject to confirmation, reconciliation and consequential adjustments thereof, if any.
- 19 Previous year's figures have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current year.

**For SORAB S. ENGINEER & CO.**

Chartered Accountants

Firm Registration Number 110417W

*R. N. Anklesaria***R.N. Anklesaria**

Partner

Membership No. 34461

Place : Mumbai

Date : 22.12.2011

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

Director

Director

Place : New Delhi

Date :

**22 DEC 2011**

**MEDIA LAB ASIA**

(A Company Limited by Guarantee under Section 25 of the Companies Act, 1956)

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011****Schedule - 12****NOTES TO ACCOUNTS****20 Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956****I Balance Sheet Abstract and Company's General Business Profile**

Registration No.	U 72900 MH 2001 NPL 133410
State Code	11
Balance Sheet Date	March 31, 2011

**II Capital Raised during the Year****Rupees (000's)**

Public Issue	Not Applicable
Rights Issue	Not Applicable
Bonus Issue	Not Applicable
Private Placement	Not Applicable

**III Position of Mobilisation and Deployment of Funds****Rupees (000's)**

Total Liabilities	450,944
Total Assets	450,944

**Sources of Funds****Rupees (000's)**

Paid-Up Capital	Not Applicable
Reserves and Surplus	82,877
Secured Loan	Nil
Unsecured Loans	Nil

**Application of Funds****Rupees (000's)**

Net Fixed Assets	82,877
Investments	2.4
Net Current Assets	(2.4)
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil

**IV Performance of Company****Rupees (000's)**

Income (including Other Income)	173,829
Total Expenditure	173,829
Excess of Income over Expenditure	Nil
Earning per share in Rs	Not Applicable
Dividend Rate %	Not Applicable

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

Director

Director

Place : New Delhi

Date :

**12 2 DEC 2011**