



Maharashtra Knowledge Corporation Ltd.
Creating a Knowledge Lit World

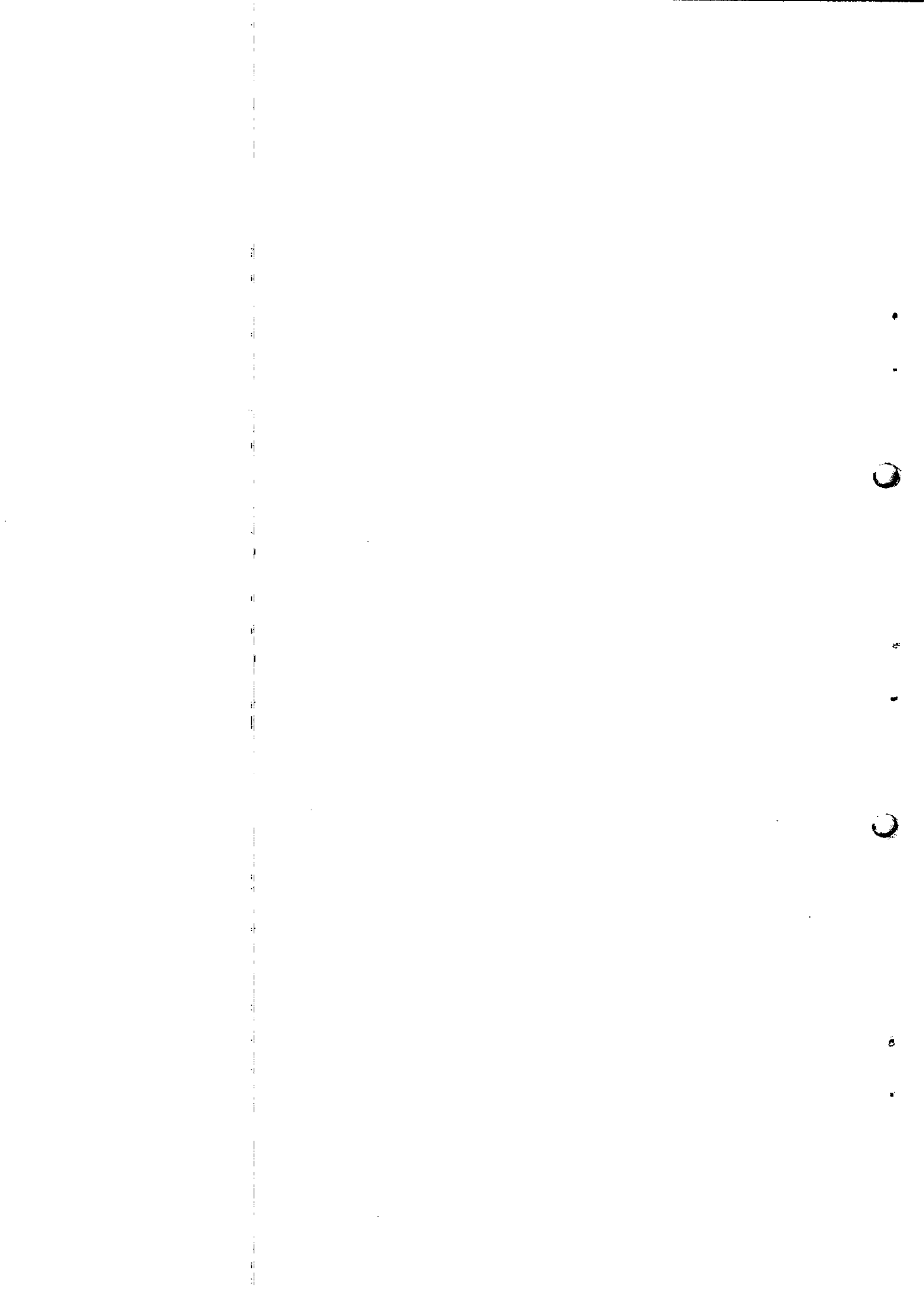
Maharashtra Knowledge Corporation Limited

4th Annual Report 2004-2005



Maharashtra Knowledge Corporation Limited

- BOARD OF DIRECTORS** : Shri. Dilip Walse Patil
Shri Suresh Shetty
Dr. Vijay P. Bhatkar
Professor Ram Takwale
Dr.(Smt) Joyce Shankaran
Professor Ashok S. Kolaskar
Dr. Rajan M.Welukar
Shri Vivek Sawant
Shri O.G. Satpute
- Chairman*
Vice-Chairman
- Managing Director*
Director Finance
- COMPANY SECRETARY** : Ms.Komal Chaubal
- AUDITORS** : P.V.Page & Co.,
Chartered Accountants,
201 Sardar Griha, 198, L.T.Marg,
Mumbai 400 002
- BANKERS** : • State Bank of India
• Bank of India
• HDFC Bank
- REGISTERED OFFICE** : 1st Floor, Directorate Of Vocational Education & Training Bldg.,
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: Phone : 020-25676713/14.
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DIRECTORS' REPORT

To the Members of Maharashtra Knowledge Corporation Limited

Your Directors are pleased to present the 4th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2005.

1.0 FINANCIAL HIGHLIGHTS

The summary of the financial results for the year ended 31st March, 2005 vis-à-vis those of the previous year are summarized below :

	<i>(Rs. In Thousands)</i>	
	2004-2005	2003-2004
Gross Profit before interest, depreciation & tax	60030.23	90334.83
Less : Interest	720.00	1595.18
Depreciation	7105.76	3504.17
Profit/(Loss) Before Taxes	52204.47	85235.48
Less : Provision for Current Tax	19241.88	31400.00
Provision for Deferred Tax	1308.06	593.79
Profit After Taxes	31654.53	53241.69
Less : Transfer to General Reserve	20000.00	10000.00
Interim Dividend on Equity Shares	4010.70	3740.00
Proposed Dividend on Equity Shares	4063.50	1870.00
Tax on Dividend	1094.05	718.93
Profit carried to Balance Sheet	2486.27	36912.76

2.0 RESULTS OF OPERATIONS

2.1 Business Performance

2.1.1 Revenues

Total revenues for the year ended March 31, 2005 grew by 18.32 %, to Rs.505484.64 Thousands, over the previous financial year.

2.1.2 Profits

Profit Before Taxes decreased from Rs.85235.48 Thousands for the previous year 2003-2004 to Rs.52204.47 Thousands for the financial year 2004-2005. The Profit After Taxes for the financial year 2004-2005 was Rs.31654.53 Thousands as against Rs.53241.69 Thousands in the previous financial year.

2.1.3 Dividend

The Board of Directors are pleased to recommend the payment of final dividend of Re.1.00 per Equity Share on 4063500 Equity Shares of Rs.10/- each for the financial year ended 31st March, 2005, which if approved at the forthcoming Annual General Meeting, will be paid to all those Members whose names appeared in the Register of Members as on October 18, 2005.

Besides that, your Directors had declared and paid an interim dividend at the rate of Re.1.00 per Equity Share on 4010700 Equity Shares of Rs.10/- each.

3.0 REPORT OF PROGRAMS AND ACTIVITIES OF MKCL 2004-05

Maharashtra Knowledge Corporation Limited (MKCL) was established with a vision to develop a world-class, globally competitive, flexible and value-based education system, responsive to the individual, institutional and social developmental needs of the people of Maharashtra and India. It began its operations in full-fledged manner from April 2002 and embarked on its mission to integrate in a self sustainable manner IT education and IT enabled education with the basic teaching, learning process and its management. It was planned to undertake various programs to accomplish this mission objective. A brief report of these programs and activities during the year 2004-05 is given below.

Programs

MKCL implements the various programs under the following four categories:

1. Enabling Programs
 - 1.1 Corporate Management Program
 - 1.2 Infrastructure Development Program
 - 1.3 Technology Infrastructure Development Program
 - 1.4 Technology Development Program
 - 1.5 Content Development Program
2. Educational Programs
 - 2.1 IT Literacy and Functionality Development Program
 - 2.2 Finishing Schools Program
 - 2.3 International Education Facilitation Program
 - 2.4 Virtual University Development Program
3. eGovernance Programs
 - 3.1 General eGovernance Program
 - 3.2 Educational eGovernance Program
4. Community Development Programs
 - 4.1 Talent Nurturing Program
 - 4.2 Life Long Learning (L3) Communities Development Program
 - 4.3 Watershed Development Program
 - 4.4 Rurban Habitat Model Development Program

1. Enabling Programs

1.1 Corporate Management Program: This enabling program offers the backbone support to all the programs mentioned above. This program involves the following functions:

- **Ideation and Strategic Planning:**

A few new ideas and strategic initiatives planned and successfully launched during this year are mentioned below and described in details under respective programs:

1. Constitution of Management Team
 2. MKCL's Own Premises at International Convention Center, Pune
 3. Capacity Building and Strengthening the statewide Network
 4. 2500 Low-cost high-quality Distributed Classrooms
 5. SOLAR Framework
 6. Learning Management and Online Evaluation Systems
 7. Statewide Distributed Classrooms with Multipoint Video Conferencing
 8. Finishing Schools
 9. Maharashtra Consortium for International Education
 10. Engineer Trainee and Management Executive Development Scheme
 11. Development of eTendering Solution for MSEB
 12. Integration of Educational eGovernance Portals
 13. Drought Preparedness Initiatives
 14. Rurban Habitat Model Development
 15. Life Long Learning (L3) Communities Development
- **Corporate Affairs:** During the financial year the Board of Directors was Chaired in succession by Shri. Dilip Walse Patil, Hon'ble Minister for Technical Education and Energy, Shri. Nawab Malik, Hon'ble Minister for Technical Education and Shri. Suresh Dada Jain, Hon'ble Minister for Higher Technical Education. During this year, the office of the Vice-Chairman was successively occupied by Shri. Anees Ahmed, Hon'ble Minister of State for Higher and Technical Education, Shri. Diliprao Deshmukh, Hon'ble Minister of State for Higher and Technical Education and Shri. Suresh Shetty, Hon'ble Minister of State for Higher and Technical Education. All of them offered inspiring leadership to the company during their respective tenures. The Board of Directors has met five times in this financial year and framed the policies and given the guidelines and directions of far reaching significance on the programs and activities of MKCL.

Five meetings of the Finance Committee were also convened for formulating the budget and periodic review of the work plan and tax planning as well as for the scrutiny of financial implications of proposals of various programs and activities.

A Share Transfer Committee was also constituted during this year.

A Management Team consisting of following members was constituted to offer recommendations on strategic planning and implementation of programs and operations:

Chairman

- Mr. Vivek Sawant, Managing Director

Members

- Mr. O.G.Satpute, Director Finance
- Mr. Dilip Tikle, Vice President, Business Development
- Mr. Suryakant Surve, Chief Technology Officer
- Mr. Deepak Motiramani, General Manager, Finishing Schools
- Mr. Ambar Adhav, General Manager, Educational eGovernance
- Ms. Veena Kamath, General Manager, Operations

Member Secretary

- Ms. Komal Chaubal, Company Secretary

A Materials Management Committee was also been constituted to coordinate the procurement of goods and services and management of the stores and inventory.

- **Legal Affairs:** During the financial year various agreements were signed with the customers, empanelled training providers, authorized local agencies, software and content development organizations, education service providers, web-based service providers, built-up space developers, miscellaneous service providers, software licenses providers, etc.
- **Corporate Communications, Publicity and Brand Management:** Systematic efforts have been made to establish and enhance the brand image of MKCL during this year.

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

The special advertisement campaign launched on World IT Literacy day – December 02, 2004- was well received and appreciated.

Five additional websites launched during the last year were further enhanced to promote educational, service and e-Governance programs of MKCL with exhaustive information about MKCL and its specific services. The number of hits on these sites crossed 3,00,000. In addition to this several value added services were added to MKCL's main website to the lay visitors, job-seekers, learners, training providers, center coordinators, local and chief auditors, quality assessors, employees and office bearers of MKCL, etc. In addition to the website the promotional material in the form of brochures, pamphlets, posters, profiles, slides, animated presentations, etc. were also developed and widely distributed.

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

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

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

During this year comprehensive presentations of activities of MKCL for business promotion were made to various authorities in the State and Central Government including Shri. Sharad Pawar, Hon'ble Minister for Agriculture, Government of India, EDUCON 2005 conference of Vice-Chancellors of Indian Universities at Hyderabad, Governing Council of Association of Indian Universities, EDUSAT conference at Ahmedabad, Mission 2007 conference at Delhi organized by M.S. Swaminathan Research Foundation inaugurated by Hon'ble President of India, World Technology Network Conference 2004 at San Francisco, USA, NAFSA 2005 Conference on International Education at Seattle, USA

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

- **General Administration:** Apart from the regular activities such as security, conservancy, cosmetic, curative and preventive maintenance of buildings and assets, power and environmental conditioning, pest control, fire safety, insurance, mail handling, local transport, travel and tour facilitation, pantry and canteen facilitation, guest facilitation and hospitality management, reception and help desk, call management, public relations, liaison with local authorities, various event such as staff picnics, meetings, seminars, conferences, concerts were also effectively managed by this cell including the Software Life Cycle Development Seminar with CSI and All India Seminar of State Secretaries of Labour with Ministry of Labour, Government of India.
- **Human Resources Development:** In order to ensure high degree of sustainability and profitability, MKCL has strategically decided to remain a modest sized organization in terms of dedicated infrastructure and human resources. MKCL, through advertisements, search and invitation, established its strong human resource base in four categories viz. Technical Development Staff, Business Development Staff, Facilitation Staff and Miscellaneous Staff. A few trainees and project associates and assistants and consultants support this core team of about 40. Certain tasks beyond the core competencies of the team are outsourced through appropriate contractual arrangements with software development organizations (SDO) and other service provider organizations as and when necessary.

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

Apart from the regular HR activities, this cell has successfully implemented the recruitment of Engineer Trainees and Management Executives through a nation wide selection test which received an overwhelming response of about 5000 candidates. About 50 Talented youngsters from various states of India have been recruited in MKCL to strengthen its development and management cadre. With the induction of this talent pool the strength of human resource shall touch 120 in its Mumbai and Pune offices taken together.

- **Finance, Accounts and Audit:** The audited balance sheet for the financial year 2004-05 is enclosed herewith.

Apart from the regular activities in the accounts cell, the netbanking facility through HDFC Bank has been successfully introduced to the Authorized Training Center Network across the state.

- **Materials Management:** A Materials Management Committee under the Chairmanship of Vice President Business Development has been constituted to coordinate the procurement of goods and services and management of the stores and inventory.
- **Library and Information Management:** Apart from the regular library and information management function, this cell has also started the eHouse Magazine viz. KQuest and this cell is also supporting the HRD cell in propagating eLearning among the MKCL staff.
- **Intellectual Property Rights Management:** During this year this cell has successfully accomplished the registered trademarks for MKCL viz. MS-CIT, Digital College, Digital University and Maharashtra Knowledge Grid.

1.2 Infrastructure Management Program:

MKCL established its registered office in Mumbai and a state-of-the-art Development and Operations Center at MSIHMCT Building in Pune and made these work environments fully functional in May 2002. While these environments were created in a cost-effective manner, the ambiance, aesthetics and utilities are of high quality.

Keeping in view the growing demand of the student community to use the services of MKCL's Digital University Framework, during 2003-04 MKCL also established a Call Center and Back Office in the Distance Education Polytechnic Building at Shivajinagar, Pune.

Own Premises at ICC: It was strategically decided to invest certain portion of the surplus in creating a world-class work environment under the ownership of MKCL so as to minimize the dependency on rented premises of the critical development projects and ongoing operations and also allow for the necessary expansion commensurate with the expansion of the business. The premises admeasuring about 8000 sq.ft. have been, therefore, purchased in the prestigious International Convention Center on Senapati Bapat Road, Pune. It is planned to shift the Development and Operations Center into the ICC premises in September 2005 and create full-fledged Finishing School at the present location of the Development and Operations Center in MSIHMCT building.

1.3 Technology Infrastructure Management Program:

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

In order to sustain the various web-based frameworks designed and developed by MKCL for offering IT enabled services to masses and expand their scope, during this year a powerful cluster-based secure server infrastructure was created by partially procuring our own state-of-the-art server hardware and software for co-location with the Internet Service Provider (ISP) and augmenting it with appropriate configurations on rental basis from the ISP. This was additionally supported by additional bandwidth. The Oracle database enterprise servers, software for creating MKCL's SMS gateway, IVRS services, customized messaging facilities, digital signature compliance across the MKCL network for secure communication, etc were some of the notable additions to the technical infrastructure.

Some highlights of accomplishments of this program during this year are enlisted below:

MKCL Offices

- ❖ Ensured uptime of technical infrastructure
- ❖ Upgraded the hardware resources
- ❖ Connected MKCL Pune offices through Fiber. Connected MKCL Pune offices to MKCL Mumbai office through leased line
- ❖ Designed and developed a Scalable and Powerful Technical Infrastructure for MKCL's ICC Office

Statewide ATC Network

- ❖ Installed and maintained a Statewide low-cost and high-quality Distributed Classroom with two way audio and two way data across 2500 ATCs which runs on dialup Internet connection
- ❖ **Statewide Distributed Classrooms with Multipoint Video Conferencing:** In order to offer high quality career oriented education at affordable cost through the network of Finishing Schools, a strategic initiative was launched to create Statewide Distributed Classrooms with Multipoint Video Conferencing facility initially at the regional lead center locations and then at the district lead center locations so as to offer access to best teachers by the learners from across the state. Video conferencing equipments were evaluated and purchased and 128 kbps leased line connectivity was obtained from BSNL to provide excellent learner experience. During this year this facility became operational at 12 locations covering all regions of the state. This program also maintained the network of these 12 locations in Maharashtra which is only of its kind.
- ❖ **Capacity Building and Strengthening the statewide Network:** After having achieved the growth in the business and the scale of operations in the year 2002-03 and 2003-04, a strategy was laid out to attain a quantum leap in quality improvement by giving highest priority to consolidation and capacity building of the statewide network. In order to achieve this, the strategy of maximizing impact rather than maximization of financial profits was adopted. Accordingly, a portion of profits were redeployed and ploughed back into the network to offer latest software, content and low-cost high-quality distributed classroom environment to all the authorized training centers while seeking the contribution from all the network partners to upgrade the hardware solely at their own cost.

This has created a statewide network 2500 ATCs with 20000+ Pentium IV and equivalent personal computers ready with latest versions of operating system such as MS Windows 2003 servers and window xp clients and application software such as MS Office standard, MS Encarta 2005, Internet and Multimedia devices and equipped with MKCL's learning management system. All the network resources thus created were carefully assessed by automated tools and were rigorously documented on the website. Evaluated, Procured and Distributed Software to ATCs.

In addition to this variety of eBooks and hundreds of useful software utilities were sent to all ATCs as Diwali gifts which also contributed to capacity building.

- ❖ A State Wide dialup VPN for all MS-CIT centers is being evaluated
- ❖ Evaluated and finalized the Mail Solution for providing email ids to all ATCs
- ❖ A State Wide dialup VPN for connecting all ATCs is being evaluated

Web Infrastructure

- ❖ Maintained MKCL's Web Infrastructure with high degree of uptime
- ❖ Designed a Disaster Recovery Site for existing Web Servers / Databases
- ❖ Implemented a Cluster of Servers for handling the online admissions of Engineering / Pharmacy/ MBA / B.Ed/ Pune University, etc.

1.4 Technology Development Program:

SOLAR Framework: It was decided to apply design and development resources to develop a next generation web-based framework for management and coordination of large network of centers for academic delivery so as to enable the expansion of MKCL's educational programs on a nationwide scale. The SOLAR framework has been thus created and all the network coordination has been successfully implemented through it. This is supported by another newly created smart client tool viz. Bizclient which has been installed at all the 2500 centers.

Learning Management System: In learner centric education paradigm, learners' needs are wide spread starting from the authenticated and personalized access of the content to self evaluation for improvement.

During this year MKCL designed and developed a comprehensive Learning Management System (LMS) to facilitate learners' needs in his/her pre-learning, during learning and after learning stage, offering him/her an enjoyable and satisfying learning experience.

MKCL LMS offers several distinguishing features as follows:

Registration to access the course content, language selection, availability of course catalog, Table of Contents with color coding to indicate completed, just visited and not-completed part of the course specific to individual learner, voice over in selectable language, search facilities based on keywords and narration text, free navigation through the content, personalized user interface and settings.

While learning, the learner can use the features such as Bookmarks, My Notes, Glossary, Whiteboard, References. Using features such as Calendar he/she can set personal learning path to complete the course.

For self assessment, learner can take Timed and Un-timed tests, Practice and Performance tests on different types of questions which include Multiple choice single correct, Multiple choice multiple correct, Match the following, Fill in the blanks, Picture Identification, Jigsaw puzzle, Crosswords, Hotspots, Second Level Reasoning and Concept Map. With the help of graphical and numerical representation of complete Performance Monitor he/she can identify the weak areas for more practice.

In view of the important role a teacher or an instructor can play in the learning process, the MKCL LMS also supports special features which include Interaction with the tutor by using text messages and emails from within the system.

This is achieved by offering the LMS deployed on a CD as well as on the Local Area Network of the educational institution supported by Content caching and replication technology for frequent incremental revision of content on the proxy servers at the authorized training centers.

At present LAN based LMS is functional in more than 2500 Authorized Training Centers of MKCL across the state of Maharashtra.

Course Design And Integration Framework: Multidimensional, explorative and best quality eContent development is an outcome of a collaborative content creation process actively participated by authors or content writers, researchers, graphics and multimedia developers, instructional designers, quality assessors and course administrators.

However, huge amount of disseminated and multisourced content, needs to be structured, packaged and offered to the learners to meet the learning objectives set for every granule of the content. In short, in adherence to meet the international standards, the content needs to be managed so as to make it reusable and easily accessible.

The Course Design and Integration Framework designed and developed by MKCL during this year, is a web based framework for managing the content in the form of Reusable Learning Objects (RLO), maintain a repository of RLOs tagged by metadata and allow the access to every RLO while designing a course.

The framework provides authenticated personal interfaces for course administrators, content writers, graphics designers, quality assessors, etc. This collaborative framework is best rated by the quality assessors with the functionality to preview the course, mechanism to lock and route the frame-by-frame feedback to concerned user. With the help of special interface for examiners, online examinations can be set based on the course structure.

Content integrated using the CDIF is then rendered using the LMS and presented to the learners. CDIF is supported by SCORM standards for content management.

Online Assignment Management System: This is a collaborative framework, a component of Web Based LMS that facilitates online assignment management of learners. It offers authenticated personal interfaces for learners, teachers, evaluators, and administrators. This has been designed and developed during this year with an integrated approach to enable the teachers to post assignments for the learners based on the course structure and the schedule defined using the CDIF. Learners can download, complete and then submit the assignments online for approval and feedback from the assistant faculty or local tutor which after approval are made available to the evaluators. The automated workflow in the system keeps track of every assignment of individual learner. Framework also offers the facility to the learners to get the assignments evaluated from best of the evaluators.

Online Examination System: Evaluation has a key role to play in the process of learning. It has hardly been the enjoyable experience in traditional teaching-learning methodologies. However, innovative eLearning solutions offer best of the features to test the abilities of learners to assimilate and accommodate the experiences and offer the learner an enriching experience. This is possible only by experimenting different types of questions based on individual's learning path.

The comprehensive online evaluation framework designed and developed by MKCL this year offers functionalities to evaluators to frame variety of questions to test the learners. Different types of questions include Multiple choice single correct, Multiple choice multiple correct, Match the following, Fill in the blanks, Picture Identification, Jigsaw puzzle, Crosswords, Hotspots, Second Level Reasoning and Concept Map.

By following international QTI standards to maintain the question repository, different question parameters are stored, viz: difficulty level, type, marks, and associated learning unit. Continuous upgradation of the question repository enables the question paper setter to go for varied combinations while designing the paper structure. Also, framework supports random paper generation. Learner authentication features such as photograph and signature display on the screen are also best supported by the system. Some of the important distinguishing features include test attempt record, result, and crash and recovery system.

As an integrated approach, Web based LMS technology is developed facilitating access to distributed classroom sessions, participation in the live lectures, online assignment management of learners, and availability of complete performance record of the examinations along with special guidance from the remote tutor.

eTendering Framework: MKCL has taken up Electronic Tendering as a thrust area under MKCL's eGovernance program.

The approach for Electronic Tendering solution development was decided keeping in view businesses of various scales doing various types of tendering. We had invitation from Indian Railways to prepare the Detailed Project Report on Development of electronic Tendering for Indian Railways (IR). IR is the giant organization in India with regards to their very high volume as well as high value tendering. This study of their proven tendering experience over 150 years helps us to refine our processes and understanding of the tendering system.

The MKCL strategic approach was two fold. One was customize Secured Electronic Tendering Solution for large scale enterprises. The presentation of this approach was given to Central Vigilance Commissioners (CVC) office in front of over 30 Heads of top public sector undertaking in India was well received.

The other approach was Secured Electronic Tendering System {SETS} an application of MKCL for Small and Medium Business Enterprises (SME) in an Application Service Provider (ASP) mode. These both have their own strength in their respective segment.

The first approach was proposed to the utility service company of the state of Maharashtra, formerly known as Maharashtra State Electricity Board (MSEB): MSEB evaluated and realized our domain expertise in eTendering and awarded us the eTendering Solution Development Project of over 25,000 man hour to be completed in the ambitious time frame of 15 months in January 2004. MKCL took the challenge to complete the assignment and completed development process in the given time frame. The project had high level of acceptance and appreciation in the MSEB. The project got extension of three months to complete the testing formalities along with the User Acceptance Test (UAT). MKCL developed System Requirement Specifications (SRS) document, completed the development of the project and got it tested from third party testing facility. After obtaining the clearance certificate from third party testing organization hosted it as live application. The proposed Enterprise Application Integration (EAI) approach is used effectively and the very first application for Digital Signature is already integrated and tested. The system is tested for many dummy tenders and found working as per design and expectations. Live tenders will be floated and the Virtual Tender Opening (VTO) will be done by September 2005. The payment gateway agreement is on way and will be integrated shortly. Over 400 vendors registered without any technical problems within span of three weeks on this framework.

The second approach was development of MKCL owned Secured Electronic Tendering System {SETS}, the web application for easy and effective tendering. The project has begun and under the first phase of testing at MKCL for its own tendering. MKCL has already successfully managed some of its procurements through SETS. The complete State-of-art SETS development is of 50,000 man hours and would take five quarters to complete it.

Secured Remote Question Paper Delivery: The off shoot of this technology is already tested in another innovative project in Educational Governance project by the project title Secured Remote Paper Delivery (SRPD). MKCL has taken a new project concept for creation of platform for Virtual Document security and transfer along with the world leader in document management viz. Adobe system. MKCL is one of its kind in Asia who has developed prototypes to use ADOBE document platform. The new project is currently titled as Secured Remote Document Delivery (SRDD). SRDD is being enriched with host of the recent hi-end technologies with simple User Interface.

1.5 Content Development Program:

This program offers the content development support and enablement to all other programs. This year an MoU was signed by between MKCL and SNDT University (Department of Educational Technology) for development of 98 titles of eContent for school students to understand the concepts difficult to learn through traditional methodology. The content for the upcoming courses in MS-ACIT Series viz. DTP and Financial Accounting has also been developed and delivered.

2. Educational Programs

2.1 IT Literacy Program and Functionality Program:

MS-CIT: As a first step to accomplish the mission objective to integrate in a self sustainable manner the IT education and the IT enabled education with the basic teaching, learning process and its management, MKCL launched a state-wide IT Literacy drive in the form of Maharashtra State Certificate in Information Technology Program (MS-CIT) w.e.f. July 2002.

Under the MS-CIT Program, MKCL offers a novel curriculum, excellent study material in the form of highly illustrated book and multimedia tutor CD with rich voice over in English and Marathi. A state-of-the-art delivery mechanism including teachers' resource material, academic support to the teachers, day-wise monitoring of curriculum schedule, hands-on assignment planning and question banks leads to intermediate skill tests followed by final online examination and instant e-Certification jointly with the Maharashtra State Board of Technical Education (MSBTE).

This high quality and low-cost IT literacy program has emerged as the only choice of large number of potential learners and **over 12 lac** learners have already completed the course upto March 31, 2005.

MS-CIT is being offered through a network of centers spread over the urban, semi-urban and also the rural and tribal areas of the state. A large number of Network Access Centers have been set up in colleges, polytechnics and ITIs without any substantial capital expenditure of these institutions. This has emerged as the single largest network of the IT Training Centers in India. This network is established on the basis of the Public Private Community Partnership (PPCP) strategy and through the involvement of several nationally reputed institutions and hundreds of small and local educational enterprises and entrepreneurs. This has resulted in a self-sustainable model for over 2500 centers involved in the program.

The coordination of this network is done through a fully web-based management framework designed and developed by MKCL. This framework has brought the uniqueness to MKCL management model as it enables almost paperless management of such a massive network in Indian conditions, in a time-bound manner and on a large geographical region.

MKCL has also established a quality assurance mechanism through the self-assessment and third-party assessment of quality of the training being imparted at the centers as well their management.

Quarterly orientation programs were conducted for Training Providers, Deemed Training Providers, Affiliated Institution Training Providers, Local Auditors, Quality Assessors, Bank Officials, Content Development Agencies, Academic Consultants and Examination Center Coordinators for continuous improvement of quality of delivery and attaining greater delight of the learners.

In order to improve the quality of delivery of this program following new initiatives were launched during this year:

MKCL established the Tehsil Level Lead Centers (TLCs) in addition to consolidating the 9 Regional Lead Centers (RLCs) and 42 Local Lead Centers (LLCs) on the basis of partnership to create MKCL's backbone support system on a state-wide scale. This step has been highly appreciated by all the centers as well as the state-level customers. It has significantly improved speed of response and quality of service at local level with cost reduction and resulted in tremendous increase in local initiative without any addition to MKCL's employee strength. Several business processes of MKCL could be profitably reengineered with the advent of TLCs in addition to RLCs and LLCs.

In order to bring an engaging learning experience to the lacs of learners, a full-fledged and general purpose Learning Management System (LMS) backed-up by Course Development and Integration System(CDIS) and the MS-CIT Tutor CD version 13 was published in a totally new form within this LMS. The print media study material was localized and the Tutor CD contents were continuously improved for greater learner delight and new versions were released in every quarter. They have been well received and highly appreciated by learners, parents and teachers. The incorporation of open source applications in the online examination during this year has also brought the desired brand neutrality to not only the course offering but also the examination.

The credibility of online examination system has been further improved by developing new assessment engine for direct online and automated assessment of actual skills attained by the candidates and not limited to the assessment based on only the multiple choice questions. This has improved learner motivation for actual skill attainment rather than just clearing the test through multiple choice questions.

The capacity building, network strengthening and simultaneous thrust on marketing has led to a 2,50,000 learner registration for the April 2005 quarter which has been an all time high in last 36 months. Upon completion of this capacity building, MKCL is confident of launching the higher level of IT functionality courses to boost employability of the learners from across the state in the year 2005-06 and later.

IT Award 2004: In recognition of the outstanding work done by MKCL in the field of Human Resources Development in IT, Government of Maharashtra has conferred upon MKCL, the prestigious IT Award 2004 on the IT Day – August 21, 2004.

MS-ACIT: In addition to the MS-CIT Program, MKCL launched on the Teacher's Day viz. September 05, 2004 the MS-ACIT series of courses for Teachers and potential content developers for education, edutainment, infotainment and entertainment industries. The series included courses viz. IT for Teachers, eContent Development, eInstructional Design, Multimedia and Animations, Web Design, eLearning Technologies.

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

2.2 Finishing Schools Development Program: In order to bridge the gap between the college and the careers, it was planned to launch MKCL's Finishing schools in various disciplines such as Engineering, Management, IT, etc. The foundations of the Finishing Schools for a few disciplines have been thus laid this year which will eventually unfold into a nation wide network of MKCL's Finishing Schools to offer finishing touches to our young graduates and thereby enable them to take up rewarding careers and contribute to the building knowledge society.

It has been decided to launch the Diploma in VLSI Design, Embedded System Design, Digital Signal Processing, CAD in September 2005 at RLC locations in the state through multipoint video conferencing facility.

2.3 International Education Facilitation Program:

Maharashtra Consortium for International Education: With a view to propagate the perspective of internationalization of the Indian education system for attaining global standards, it was decided through wider consultations with the Government, Universities and educational institutions to launch the activities to support the Government of Maharashtra and educational institutions in the state to participate in the events dedicated to international education and catalyze the process of forming the Maharashtra Consortium for International Education. The consortium was accordingly conceptualized and about 20 institutions in the state participated in the NAFSA conference in May 2005 at Seattle, USA along with Universities and Government under the overall facilitation and coordination by MKCL.

2.4 Virtual University/ Academy Development Program:

MKCL has submitted the detailed project report for creation of Virtual University for Agrarian Prosperity to the Government of Maharashtra, Department of Agriculture upon their request.

MKCL has also prepared a detailed proposal on creation of a virtual academy for drop-out learners desirous of attaining actionable knowledge. This proposal is being circulated among the educationists for wider debate.

3. eGovernance Program

3.1 General eGovernance Program:

A more detailed description of this program has been covered under item 1.4 above.

3.2 Educational eGovernance Program:

Digital College™ Program: Under this program MKCL in partnership with a group of colleges, is developing a comprehensive software framework for offering the benefits of the digital revolution to the students learning in the existing institutions in conventional mode. Digital College Framework will offer innovative services to the Students, Teachers and Managements of the colleges. It will offer multimedia CD and web-based content of several new courses leading to national and international

certifications and local and global career opportunities. It will lead to the harmonious integration of New Education Paradigm in a conventional college. This framework will allow the students, teachers and managements to tap full potential of the Maharashtra Knowledge Grid services.

Due to its low cost and membership model with collaborative spirit of sharing and economy of scale, it has evoked good response from many colleges.

Digital University™ Program: MKCL, in partnership with some of the reputed Universities, is developing a comprehensive software framework for a fully web-based management of the University and the network of colleges affiliated to the University. It will be seamlessly integrated with the Digital College Framework so as to offer electronic exchange of data and information between the colleges and University in the form of digital objects. Both the frameworks will attempt to offer mass-personalized services to students and teachers and administrative staff of the University.

The web-based framework for online registration of external students of the University of Pune was developed as an integral part of the overall Digital University Framework and was successfully deployed. It was utilized by 1,00,000 students of the University of Pune and was highly appreciated. Based on this remarkable success many new clients have approached MKCL for similar services to be offered. Accordingly the admissions for B.Ed., Engineering, Pharmacy, MBA, etc. have also been carried out which together attracted the response of 2,00,000 applicants.

During this year, a comprehensive and secure solution for secure e-Delivery of question papers simultaneously at multiple locations for various University examinations has been developed and demonstrated. It has been successfully deployed for the final examination of B.Ed. degree in University of Pune.

Digital Directorate of Higher Education: MKCL, in partnership with the Directorate of Higher Education, is developing a comprehensive software framework for the Directorate and joint directorates to manage the workflow automation on a state-wide scale for improving efficiency and effectiveness of the Department of Higher & Technical Education, Government of Maharashtra. This framework shall seamlessly integrate with the Digital College and Digital University frameworks for easy electronic exchange of data and information among the colleges, Universities and the Department.

The workflow automation of the generalized governmental workflow shall be implemented on priority basis.

During this year the DPR containing 16 volumes for the computerization of the Directorate of Higher Education has been submitted and as part of its implementation, some of the online services to improve the communication between colleges and joint directorates have been successfully started at the office of the Director. Additionally, several modules for computerization of various functions have been developed and delivered and the Directorate is now creating its computing environment to deploy these modules w.e.f. October 2005.

As a result of MKCL's profound contributions in this area, it has emerged as a dominant player at the national level in the field of educational eGovernance and is being invited by several Universities in several states.

4. Community Development Programs:

4.1 Talent Nurturing Program:

The programs for Talent nurturing are being planned for school children, youth and parents.

4.2 Life Long Learning (L3) Communities Development Program:

L3 being critical to the survival, development and empowerment of communities in knowledge society, MKCL in partnership with Commonwealth of Learning is developing tools and contents for development of L3 Farmers and L3 Teachers communities.

During this year MKCL has started the implementation of the Community Learning and Information Centers (CLIC) Project through networking and partnership strategy for giving several learning services and governmental and non-governmental information services to especially rural, remote and disadvantaged communities. This project is attempting to take the fruits of IT to the masses at large and thereby avoid the digital divide.

4.3 Watershed Development Program:

In its very sensitive response to the unprecedented drought in Maharashtra, MKCL catalyzed the process of bringing together the NSS Programs of the various Universities, the forest department, employment guarantee scheme as well as villagers to undertake soil and water conservation projects based on various knowledge based techniques such as CCT. This initiative has been widely appreciated and has evoked excellent response from universities, colleges, students and villagers.

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

MKCL has repurposed the drought preparedness course contents in partnership with ICRISAT and used it in the NSS program of the various Universities in Maharashtra.

4.4 Rurban Habitat Model Development Program:

MKCL in partnership with Isquare SATCOM, Solapur is developing a new habitat model based on knowledge based synthesis of desirable features of rural and urban lifestyles to mitigate drought and devastation of natural capital leading to poverty and posing threat to very sustainability and survival of rural communities. As a part of the rurban habitat development, a community water-bank of about 5 crore liters has been developed in drought affected village Ankoli in Solapur district. This bankable project on one hand has become a sign of hope for villagers worst affected by drought and on the hand has shown an investment avenue to the bankers for improving water security of the communities in a bankable way. Useful content for building L3 Rurban Community has been developed in Marathi and was presented in the workshop held on July 16, 2004 in the University of Pune which was attended by 250 delegates from all over the state. This content has also been distributed to all the ATCs for further propagation.

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

4.1 Conservation of Energy

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

4.2 Technology Absorption

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

4.3 Foreign Exchange Earnings And Outgo

During the period under review, there were no foreign exchange earnings and the foreign exchange outgo was Rs.1660.19 Thousands

5.0 FIXED DEPOSITS

The Company did not accept any fixed deposits during the year under review. No deposits were outstanding as on 31st March, 2005.

6.0 PARTICULARS OF EMPLOYEES

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Rules framed thereunder are not given as there are no employees employed throughout the period under review who were in receipt of remuneration of Rs.12,00,000/- p.a. or above and employed for part of the year and were in receipt of Rs.1,00,000/- p.m. or above.

7.0 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies, Act, 1956, the Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts on a going concern basis.

8.0 DIRECTORS

8.1 Directors Retiring by rotation

Shri Suresh Shetty and Dr.(Smt) Joyce Shankaran retire by rotation at the 4th Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

8.2 Changes in Government Nominees

The first Chairman of the Board, Hon' ble Shri. Dilip Walse Patil ceased to be Chairman with effect from July 19, 2004 and was re-elected as Chairman of the Board on May 11, 2005. Hon'ble Shri. Nawab Malik was the Chairman of the Board from July 19, 2004 to March 3, 2005. Thereafter, Hon'ble Shri. Sureshkumar Jain was the Chairman of the Board from March 3, 2005 to May 11, 2005.

Also, the first Vice Chairman of the Board, Hon'ble Shri Anees Ahmed ceased to be Vice Chairman with effect from July 19, 2004. Hon'ble Shri. Diliprao Deshmukh was the Vice Chairman of the Board from July 19, 2004 to March 3, 2005. Thereafter, Hon'ble Shri. Suresh Shetty was elected as Vice Chairman of the Board with effect from March 3, 2005.

Smt.Chandra Iyengar ceased to be Director with effect from March 3, 2005 and in her place Dr. (Smt.) Joyce Shankaran was appointed with effect from the same date.

8.3 Changes in University Representatives

Shri K.P.Sonawane ceased to be Vice-Chancellor of Dr. Babasaheb Ambedkar Marathwada University, Aurangabad with effect from December 21, 2004 and consequently ceased to be Director from the same date. Also, Dr.Subhash Awale ceased to be Vice-Chancellor of Dr. Babasaheb Ambedkar Technological University, Lonere with effect from May 11, 2005 and consequently ceased to be Director from the same date.

Your Directors wish to place on record their sincere appreciation and thanks for the invaluable contributions made by all the outgoing Board members.


9.0 AUDITORS

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

10.0 ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the continued support and co-operation received from the State Government, Bankers, Suppliers, Customers, Bankers and Business Partners. Your Directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by every employee of the Company. Lastly, your Directors are deeply grateful for the confidence and faith shown by the members of the Company in them.

For and on behalf of the Board of Directors



**DILIP WALSE PATIL
CHAIRMAN**

Place : Mumbai

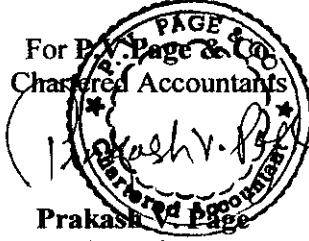
Date : October 18, 2005

- 1) We have audited the attached Balance Sheet of Maharashtra Knowledge Corporation Limited as at 31st March 2005, and also the Profit & loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of the books.
 - c) The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956.

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

1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2005;
2. In the case of the Profit and Loss Account, of the profit for the year ended on that date.

Place: Mumbai
Date: October 18, 2005

For P.V. Page & Co.
Chartered Accountants

Prakash
(Proprietor)
Membership no.30560

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31 ST MARCH 2005

I. In respect of the fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) Majority of fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal is, in our opinion, not affecting the going concern status of the Company.

II. In respect of its inventories:

- a) As explained to us, the Management physically verified the inventories of CDs and Study Material Books during the year. In our opinion, having regard to the nature and location of stocks, the frequency of verification needs to be improved.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the inventory record maintenance system needs to be strengthened. The discrepancies noticed on verification between the physical stocks and the book records were not material.

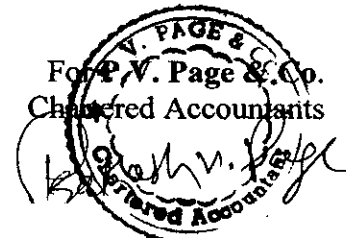
III. In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Maharashtra Knowledge Corporation Limited

- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of fixed assets. The activities of the Company do not involve sale of goods. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.
- V. (a) There are no transactions that need to be entered in to a register in pursuance of Section 301 of the Companies Act, 1956. Hence, clause V (b) is not applicable to the company.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, during the year to which the directives issued by the Reserve Bank Of India and the provisions of sections 58A and 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under, are applicable.
- VII. The Company did not have a formal internal audit system during the year ended 31st March 2005. As per the information and explanations given to us, the Company is in the process of setting up an internal audit system commensurate with its size and nature of its business.
- VIII. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- IX. According to the information and explanation given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it and no undisputed amounts payable in respect of the above were in arrears as at 31st March 2005 for a period of more than six months from the date they became payable.
- X. The company has been registered for a period of less than five years. Further, the company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year immediately preceding such financial year.
- XI. In our opinion and according to the information and explanation given to us, the Company has neither taken any loans from a financial institution, nor a bank nor has it issued any debentures. Accordingly, the clause (XI) of the order is not applicable.
- XII. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the clause (XII) of the order is not applicable.

Maharashtra Knowledge Corporation Limited

- XIII. The Company is not a chit fund or a nidhi or mutual benefit fund or society. Accordingly, the provisions of clause (XIII) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause (XIV) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not applied for any type of term loans. Accordingly the provisions of clause (XVI) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- XVII. In our opinion and according to the information and explanations given to us, the Company has not been raised any funds on short-term basis.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any debentures.
- XX. The Company has not raised any money by public issue during the year.
- XXI. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.



Prakash V. Page
(Proprietor)
Membership No.30560

Place: Mumbai
Date : October 18, 2005

Particulars	Schedule	As at 31.03.2005	As at 31.03.2004
SOURCES OF FUNDS			
Shareholders Funds			
a) Share Capital	1	47,330.00	44,838.50
b) Reserves and Surplus	2	63,433.41	40,947.13
Deferred Tax Liability (Refer Note 5 of Notes to Accounts)		2,199.80	880.58
TOTAL		112,963.21	86,666.21
APPLICATION OF FUNDS			
a) Fixed Assets			
Gross block	3	50,555.02	22,166.93
Less: Depreciation		13,112.28	6,032.64
Net Block		37,442.74	16,134.29
Capital work in progress		33,284.93	1,448.35
Total Fixed Assets		70,727.67	17,582.64
b) Current Assets, Loans and Advances	4	244,057.86	232,859.56
Less: Current Liabilities & Provisions	5	202,536.32	164,797.41
Net Current Assets		41,521.54	68,062.15
c) Deferred Tax Asset (Refer Note 5 of Notes to Accounts)		76.82	65.66
d) Miscellaneous expenditure (to the extent not written off or adjusted)	6	637.18	955.76
TOTAL		112,963.21	86,666.21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES THEREON 13

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

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



Mumbai : October 18, 2005

[Signature]
Dilip D. Walse Patil
Chairman

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

[Signature]
Vivek Sawant
Managing Director
[Signature]
Komal Chaubal
Company Secretary

[Signature]
O.G. Satpute
Director Finance

Particulars	Schedule	For Year ended 31.03.2005	For Year ended 31.03.2004
<u>I. INCOME</u>			
a) MSCIT Course Income	7	435,346.94	412,802.15
b) Income from Other Projects	7	58,500.88	7,704.16
c) Increase/ (Decrease) in Inventory	8	(217.78)	(5,686.02)
d) Other Income	9	11,854.61	12,411.91
TOTAL Rs. (A)		505,484.64	427,232.19
<u>II. EXPENDITURE</u>			
a) Expenses on Course	10	380,179.65	297,918.15
b) Employees remuneration and other benefits	11	17,584.07	10,140.43
c) Administration Expenses	12	47,308.01	27,956.79
d) Interest on Application money		720.00	1,595.18
e) Depreciation	3	7,105.76	3,504.17
f) Preliminary expenses written off during the Year		318.58	318.58
TOTAL Rs. (B)		453,216.07	341,433.32
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS (A)-(B)		52,268.58	85,798.88
Provision for liabilities no longer required written back		0.00	14.65
Prior period items		(64.11)	(578.05)
PROFIT BEFORE TAX		52,204.47	85,235.48
Less: Provision for Taxation		19,241.88	31,400.00
Deferred tax expense		1,308.06	593.79
(Refer Note 5 of Notes to Accounts)			
PROFIT AFTER TAX		31,654.53	53,241.69
Transfer to General Reserve		20,000.00	10,000.00
Interim dividend		4,010.70	3,740.00
Proposed dividend		4,063.50	1,870.00
Corporate Dividend Tax		1,094.05	718.93
BALANCE CARRIED TO THE BALANCE SHEET		2,486.27	36,912.76

Earning Per Share (Basic & Diluted)

7.32

15.00

(Refer Note 6 of Notes to Accounts)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES THEREON

13

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

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



[Signature]
Dilip D. Walse Patil
Chairman

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

[Signature]
Vivek Sawant
Managing Director

[Signature]
Komal Chaurhal
Company Secretary

[Signature]
O. G. Salpate
Director Finance

SCHEDULE - 1
SHARE CAPITAL

(Amount in Rs. Thousands)

PARTICULARS	Year Ended	Year Ended
	As At	As At
	31.03.2005	31.03.2004
Authorised Share Capital 1,00,00,000(Previous Year 50,00,000) Equity Shares of Rs. 10 each	100,000.00	50,000.00
Issued, Subscribed and Paid Up Share Capital 40,10,700 (Previous Year 37,40,000) Equity Shares of Rs. 10 each, fully paid up	40,107.00	37,400.00
(Of the above shares 18,70,000 shares are allotted as fully paid-up by way of bonus shares by way of capitalisation of Profits and General Reserve.)		
Share application money	7,223.00	7,438.50
TOTAL	47,330.00	44,838.50

SCHEDULE - 2
RESERVES AND SURPLUS

(Amount in Rs. Thousands)

PARTICULARS	Year Ended	Year Ended
	As At	As At
	31.03.2005	31.03.2004
Profit and Loss Account		
Balance carried from Previous Year	30,947.13	11,234.37
Profit & Loss Account for the Current Year	2,486.27	36,912.76
Less: Profits capitalised	0.00	17,200.00
	33,433.41	30,947.13
General Reserve Account		
Balance carried from Previous Year	10,000.00	1,500.00
Add : Transfer during the year	20,000.00	10,000.00
Less: Profits capitalised	0.00	1,500.00
	30,000.00	10,000.00
TOTAL	63,433.41	40,947.13

Schedule- 3

Fixed Assets

S No	Particulars	Rate(%)	Gross Block				Depreciation				Net Block	
			As on 01.04.2004	Additions	Deletion	As on 01.04.2004	For the Year	On Deletion	As on 31.03.2005	As on 31.03.2005	As on 31.03.2004	As on 31.03.2004
1	Office Premises	5.00	1,661.47	977.93	15.46	154.87	115.39	0.38	269.89	2,354.05	1,506.60	
2	Air Conditioner	13.91	927.69	239.24	-	264.43	121.68	-	386.11	780.82	663.26	
3	Electrical Fittings	13.91	936.95	740.78	-	232.04	165.07	-	397.12	1,280.62	704.91	
4	Office Equipments and Appliances	13.91	2,645.55	16,258.89	2.77	504.54	935.92	2.76	1,437.69	17,463.98	2,141.01	
5	Computers	40.00	12,451.79	8,213.93	74.40	3,714.92	5,127.02	26.25	8,815.70	11,775.62	8,736.87	
6	Furniture & Fixtures	18.10	3,439.48	2,166.34	116.40	1,057.88	644.48	0.54	1,701.83	3,787.60	2,381.60	
7	Plant & Machinery*	100.00	104.00	-	-	103.95	-	-	103.95	0.05	-	
	Total		22,166.93	28,597.12	209.03	6,032.64	7,109.57	29.93	13,112.28	37,442.74	16,134.25	
	As at 31.03.04		14,843.18	7,323.75	-	2,528.46	3,504.18	-	6,032.64	16,134.29		

(Amount in Rs. Thousands)

* The Plant & Machinery worth of Rs 5000 and less is depreciated at the rate of 100%.

Maharashtra Knowledge Corporation Limited

SCHEDULE - 4

CURRENT ASSETS, LOANS AND ADVANCES

(Amount in Rs. Thousands)

PARTICULARS	Year Ended As At 31.03.2005	Year Ended As At 31.03.2004
a) CASH AND BANK BALANCES		
Cash on Hand (As certified by the Management)	7.85	39.89
DD's on Hand <i>(Refer Note 11 of Notes to Accounts)</i>	14,825.06	2,680.41
<u>Balances with Scheduled Banks</u>		
In Current Accounts	54,407.12	36,530.17
In Fixed Deposits	86,776.19	127,318.47
TOTAL	156,016.22	166,568.94
b) INVENTORIES (As certified by the Management)		
Inventory of Books	372.02	194.74
Inventory of CDs	199.87	594.92
TOTAL	571.88	789.66
c) DEBTORS (Unsecured)		
<u>Outstanding for more than six months, considered good)</u>		
Receivable from MSEB	238.15	
Fees for Engineering Admission Project (DTE)	1,743.08	0.00
Receivables on account of MSCIT	22,885.50	26,168.60
TOTAL	24,866.72	26,231.46
d) LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances and deposits	2,470.44	1,934.87
Prepaid Expenses	4,210.74	445.82
Accrued Interest on bank fixed deposits	952.18	175.88
-Tax Deducted at Source (A.Y. 03-04)	- 947.29	947.29
Advance Tax (A.Y.03-04)	5,400.00	5,400.00
Self Assessment Tax (A.Y. 03-04)	6,053.73	2,812.16
Advance Tax (A.Y. 04-05)	25,500.00	25,500.00
Tax Deducted at Source (A. Y. 04-05)	1,576.62	2,053.48
Advance Tax - A.Y. 2005-06	13,000.00	0.00
Tax Deducted at Source (A. Y. 05-06)	2,492.04	0.00
TOTAL	62,603.05	39,269.51
GRAND TOTAL	244,057.86	232,859.56

Maharashtra Knowledge Corporation Limited

SCHEDULE - 5

CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs. Thousands)

PARTICULARS	Year Ended As At 31.03.2005	Year Ended As At 31.03.2004
CURRENT LIABILITIES		
Liabilities towards MS-CIT Course	52,797.26	57,420.23
Deposits from Training Providers and Contractors	15,031.00	13,006.00
Advances from Debtors	1,117.94	0.00
Creditors for materials & services	33,637.97	5,463.62
Other Liabilities	1,113.10	34,968.90
TOTAL	103,697.27	110,858.75
PROVISIONS		
Provision for expenses	35,007.50	11,878.65
Provision For Taxation 03-04	8,556.26	8,556.26
Provision For Taxation 04-05	31,400.00	31,400.00
Provision For Taxation 05-06	19,241.88	0.00
Proposed Dividend	4,063.50	1,870.00
Corporate Dividend Tax Payable	569.91	233.75
TOTAL	98,839.05	53,938.66
GRAND TOTAL	202,536.32	164,797.41

SCHEDULE - 6

MISCELLANEOUS EXPENDITURE

(Amount in Rs. Thousands)

PARTICULARS	Year Ended As At 31.03.2005	Year Ended As At 31.03.2004
# Preliminary Expenses	955.76	1,274.34
TOTAL	955.76	1,274.34
Less: Preliminary expenses written off during the Year	318.58	318.58
TOTAL	637.18	955.76

Pre Incorporation Expenses incurred by Higher and Technical Education Department

Maharashtra Knowledge Corporation Limited

SCHEDULE - 7

INCOME FROM COURSES & PROJECTS

(Amount in Rs. Thousands)

PARTICULARS	As At 31.03.2005	As At 31.03.2004
MS-CIT Income :		
MS-CIT Course Fee	318,300.27	312,148.16
MS-CIT Exam Fee	93,891.64	88,947.43
Re-Exam Fees	9,893.55	10,147.20
Annual fee	11,917.70	1,174.26
Registration Fees From AITPs	25.00	150.00
Form fees	0.00	16.00
Receipts from Brochures and challans	15.53	219.10
Processing Fees from Centers	264.50	0.00
Oncet Fees	178.25	0.00
Income from CLIC, Oncet, Registration, Renewal, etc	860.50	0.00
TOTAL	435,346.94	412,802.15
Income from other Projects		
MS-ACIT Income		
Faculty Training Fees	0.00	6.00
MS-ACIT Course Fee	2,092.50	0.00
TOTAL	2,092.50	6.00
Other Projects		
Pune University Admission Project Income	44,774.88	6,455.29
Income from RURBAN Project	40.75	0.00
Income from CLIC Project	239.75	0.00
Income from CFM	74.25	0.00
Engineering Admission Project Income (DTE)	931.26	257.94
MBA Admission Project Income	3,180.38	0.00
B'Ed CET Admission Project Income	5,500.00	0.00
Income From MSEB	1,485.38	0.00
Income From Ashram Shala Project	181.73	0.00
IIT JEE Fees 2004	0.00	984.93
TOTAL	56,408.38	7,698.16
Total Income from other Projects	58,500.88	7,704.16
GRAND TOTAL	493,847.82	420,506.31

Maharashtra Knowledge Corporation Limited

SCHEDULE - 8

INCREASE/(DECREASE) IN INVENTORY

(Amount in Rs. Thousands)

PARTICULARS	As At 31.03.2005	As At 31.03.2004
Closing Inventory at 31.03.2005		
Inventory of Books	372.02	194.74
Inventory of CDs	199.87	594.92
	571.88	789.66
Opening Inventory at 1.4.2004		
Inventory of Books	194.74	4,132.86
Inventory of CDs	594.92	2,342.83
	789.66	6,475.69
TOTAL	(217.78)	(5,686.02)

SCHEDULE - 9

OTHER INCOME

(Amount in Rs. Thousands)

PARTICULARS	As At 31.03.2005	As At 31.03.2004
Interest from Banks (Tax deducted at source Rs.2492.03/-) Previous Year Rs.1576.62/-)	11,336.21	9,342.35
Recruitment Fees	0.00	13.00
Miscellaneous Income	518.40	3,056.56
TOTAL	11,854.61	12,411.91

SCHEDULE - 10

Expenses on Course

(Amount in Rs. Thousands)

PARTICULARS	As At	As At
	31.03.2005	31.03.2004
MS-CIT Course Cost		
Training Providers share in Course Fees	113,249.74	119,262.51
MSBTE's share in Exam Fees	71,129.50	66,670.85
MSBTE's share in Re-Exam Fees	7,420.14	7,610.40
TOTAL	191,799.38	193,543.76
MS-CIT Other Direct Cost		
Course material expenses	72,019.43	69,141.58
MS-CIT Local audit fees and expenses	98.26	1,824.78
Content Development cost	179.10	2,740.00
Quality Audit Cost	208.60	210.00
LLC Charges	23,008.76	14,429.42
RLC Charges	4,693.04	0.00
Centre Facilitation Expenses	2,000.00	0.00
Expenses on Life Cycle Management	24.21	0.00
Expenses on SDO	4,803.15	0.00
Expenses on Net Meeting	1,545.86	0.00
Software Expenses for Center	17,530.28	11,563.07
Expenses on Buddies Cyber Cafe Project	3,900.00	0.00
TOTAL	130,010.69	99,908.84
MS-ACIT Course cost		
Faculty Training Cost	0.30	508.71
MS-ACIT Course Share & other cost	1,582.93	0.00
Software expenses for MS-ACIT courses	12,259.99	0.00
TOTAL	13,843.22	508.71
Other Misc Project Expenses		
Expenses on RURBAN Project	1,194.75	15.44
Expenses on CCT Project	545.67	350.00
Expenses on MSEB E- Tendering Project	57.00	10.00
Expenses on CLIC Project	1,719.04	1,963.44
Expenses on Engineering Project	1,235.30	0.00
Cost on B.Ed Project	2,779.10	0.00
Expenses on CFM	441.67	0.00
Course promotion and other cost IIT JEE	0.00	704.80
TOTAL	7,972.54	3,043.68
Cost on Pune University Project		
Processing charges for Pune University Project and other costs	36,553.82	913.16
TOTAL	36,553.82	913.16
GRAND TOTAL	380,179.65	297,918.15

Maharashtra Knowledge Corporation Limited

SCHEDULE - 11

EMPLOYEES' REMUNERATION AND OTHER BENEFITS

(Amount in Rs. Thousands)

PARTICULARS	As At 31.03.2005	As At 31.03.2004
Salary	16,971.84	9,761.93
Staff Welfare Expenses	612.23	179.24
Staff Recruitment & Training Expenses	0.00	199.26
TOTAL	17,584.07	10,140.43

SCHEDULE - 12

ADMINISTRATION EXPENSES

(Amount in Rs. Thousands)

PARTICULARS	As At 31.03.2005	As At 31.03.2004
Advertisement expenses	18,897.34	16,909.13
Sales promotion expenses	5,726.09	1,035.84
Communication Expenses	2,405.77	1,258.75
Travelling and Conveyance	3,010.89	2,254.00
Rent Rates Taxes and Insurance	2,694.66	1,024.90
Repairs and maintenance - Electrical	183.37	87.36
Repairs and maintenance - Building	52.13	47.92
Repairs and maintenance - Office Equipments	212.10	116.97
Repairs and maintenance - Computer	154.98	55.82
Legal, Professional & Consultancy Charges	2,350.11	1,658.59
Furniture Hire Charges	4.32	58.85
Computer Hire Charges	22.50	88.85
Electricity charges	846.32	617.94
Books and Periodicals	55.00	77.05
Printing and Stationary	784.98	825.01
Auditors Remuneration and out of pocket expenses	561.82	469.69
Meeting Expenses	555.13	210.84
Website hosting and registration expenses	1,528.75	326.90
Expenses for World Education Meet	0.00	250.98
Donation	5,012.00	0.00
Loss on Disposal/sale of Assets	9.14	0.00
Loss on Foreign Exchange	4.64	0.00
Miscellaneous Expenses	2,235.96	581.42
TOTAL	47,308.01	27,956.79

NOTES ON ACCOUNTS**1. DESCRIPTION OF BUSINESS**

The Company is into promoting Education, Training and allied activities and delivering state-of-the-art IT solutions & ITES (IT Enabled Services) to the community at large. Under Education & Training segment, the company has been delivering a basic level IT courses with the intention to promote IT literacy on mass scale and advanced level of IT courses in specialized industrial faculties. Under IT solutions & ITES segments, the company is providing e-governance solutions including admission management to universities, education directorate and Higher and technical education department of government of Maharashtra and e-tendering to Maharashtra state electricity board.

2. SIGNIFICANT ACCOUNTING POLICIES**I. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

The accompanying financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India, under historical cost convention and on the accrual basis.

GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956.

II. USE OF ESTIMATES

The preparation of financial statement in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of financial statement, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

III. REVENUE RECOGNITION**a. Project Income****MS-CIT Course**

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

- *Exam Fees* from the MS-CIT course are recognized on time basis
- *Re-exam Fees* from the MS-CIT course are recognized on receipt basis
- *Course materials* supplied for the course is education material and is accounted on the basis of delivery to training centers.
- *Registration Fees* are recognized on receipt basis.
- *Annual Fees/Renewal Fees* are recognized on receipt basis.
- *Income from MS-ACIT Fees* are recognized on receipt basis.
- *Income from Oncet Fees* are recognized on receipt basis.

Admission Project

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

Software Development Project

Revenue from software development and allied support services is recognized as per the percentage of completion method i.e. determined by reference to the stage of completion of the contract activity or delivery of service as the case may be, at the end of each accounting period.

Community Development Project

- *Income from RURBAN Project* is recognized on receipt basis.
- *Income from CLIC Project* is recognized on receipt basis.

b. Other Income

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

IV. EXPENDITURE

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

The cost of software purchased for use in software development and services is charged to revenues in the year of acquisition.

Charges relating to non-cancelable long-term operating charges are computed on the basis of lease rentals payable as per the relevant lease agreement and recognized as expense.

V. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost for the purpose includes cost of acquisition, installation, duties and taxes, and other incidental expenses incurred during acquisition, construction or installation of fixed assets.

Advances paid towards the acquisition of fixed assets and the cost of assets which are not put to use before the period end are disclosed under Capital Work in progress.

VI. DEPRECIATION

The depreciation is charged on W.D.V. basis at the rates prescribed under Schedule XIV to the Companies Act, 1956. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition.

VII. PRELIMINARY EXPENDITURE

Preliminary expenditure incurred in the year of incorporation carried under Miscellaneous Expenditure is amortized equally over period of five years beginning from the financial year 2002-2003.

VIII. INVENTORIES

Inventory includes set of a book and a compact disc (CDs) each. The stock of study material is valued at Cost or Fair Value whichever is lower. Cost for the purpose includes cost of purchase, freight and all incidental cost incurred to bring these inventories to company. Cost of CDs which are allocated for the learners registered, includes additional cost of royalty paid for procuring content. Cost is arrived at by applying weighted average cost formula.

Fair Value for this purpose is the value of deposit received from centres as security deposits against the supply of study material.

IX. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction.

Gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit & loss account

X. EMPLOYEE BENEFITS

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

Leave encashment liability is provided on the basis of leave outstanding to the credits of employees at year end.

The Company has subscribed to the Group Gratuity Plan of Life Insurance Corporation of India. The Plan provides for a lump sum payment to employees at retirement death, incapacitation or termination of service, of an amount based on employee's salary and tenure of employment. Liability towards Gratuity expense is, thus provided on the basis of a premium of annual contribution demanded by LIC of India.

XI. TAXES ON INCOME

Tax expenses for the year comprise of current tax and deferred tax.

Current taxes are measured, at the amounts expected to be paid in respect of taxable income for the period, using the applicable tax rates and tax laws.

Deferred Tax Liability is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal one or more subsequent period.

Deferred Tax Assets is recognized only when it is certain that there is sufficient future income against which such deferred tax asset can be realized

3. INVENTORY AND QUANTITATIVE DETAILS

In order to facilitate learners, the company procures study materials in bulk and makes arrangement to deliver the same to the learners through network of centers.

The stock lying at the year end fully comprise of these study material. Since the Company is not into any manufacturing or trading operations, the quantitative details of inventory are not reported.

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

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

	<i>(Amount in Rupees '000)</i>	
	Year Ended March 31,2005	Year Ended March 31,2004
Lease Rental recognized during the year		
Mumbai Office	776.47	630.47
Pune Office	712.23	353.18
Total of Lease on Office premises	1,488.70	983.65
Co-location charges Mumbai	718.77	Nil
Co-location charges Pune	385.40	275.40
Internet charges for Mumbai	105.30	72.50
Internet charges for Pune	228.67	126.22
Internet charges VPN	370.95	Nil
	3,297.79	1,457.77

Lease Obligations

	Year Ended March 31,2005	Year Ended March 31,2004
Not later than one year	7,232.23	1,457.77
Later than one year and not later than five years	25,927.83	4,172.68
Later than five years	Nil	Nil

5. DEFERRED TAX EFFECTS

	<i>(Amount in Rupees '000)</i>	
	Year Ended March 31,2005	Year Ended March 31,2004
Deferred Tax Asset		
On Other items	(76.82)	(65.66)
Deferred Tax Liability		
On Depreciation	2199.80	659.45
Net Tax Expenses	2122.98	593.79

6. EARNING PER SHARE

	<i>(Amount in Rupees '000)</i>	
	Year Ended March 31,2005	Year Ended March 31,2004
Net Profit attributable to equity shareholders	30,560.48	52,522.76
Weighted average number of equity shares outstanding	4,175	3,501.49
Earning Per Share Basic & Diluted	7.32	15.00

7. DIRECTORS' REMUNERATION

	<i>(Amount in Rupees '000)</i>	
Particulars*	Year Ended March 31,2005	Year Ended March 31,2004
1 Salary	736.72	588.00
2 Performance linked awards	423.91	220.50
2 Other Allowances	429.94	300.00
3 Contributions to PF	75.60	54.00
4 Perquisites	499.41	525.05
5 Gratuity	12.31	18.72
Total	2,177.89	1,706.27

8. EXPENSE IN FOREIGN CURRENCY:

	<i>(Amount in Rupees '000)</i>	
	Year Ended March 31,2005	Year Ended March 31,2004
Foreign Traveling	624.46	608.85
Lodging & Boarding Expenses	882.75	131.79
Registration fees for conferences	41.36	Nil
Annual Subscription fees	111.62	Nil
Total	1660.19	740.64

9. CONTINGENT LIABILITIES

Particulars	<i>(Amount in Rupees '000)</i>	
	Year Ended March 31,2005	Year Ended March 31,2004
Capital Purchase Commitments for		
- ICC Premise	4,704.18	1,236.62
- Purchase of 1 Micro-controller & VLSI Kit	87.50	Nil
- Purchase of FPGA Advantage Software	1,030.79	Nil
(A)	5,822.47	1236.62
Outstanding Bank Guarantees for		
- Payment guarantee for services purchased	1250.00	Nil
- Performance guarantee for services given	1250.00	Nil
(B)	5,822.47	Nil
Total Contingent Liabilities (A+B)	8322.47	1236.62

10. AUDITOR'S REMUNERATION

Particulars	<i>(Amount in Rupees '000)</i>	
	2004-2005	2003-2004
a) As Auditors		
Post-transaction audit	440.80	378.00
MS-CIT Pre-audit (Local Audit) (shared with 27 local audit firms)	106.48	1,824.70
Total	547.28	2,202.70
b) As advisor, or in any other capacity, in respect of –		
Taxation matters	56.20	54.00
Corporate Advisory Services	148.29	130.87
Management services and In any other manner	Nil	Nil
Total	751.77	2,387.57

11. DDs ON HAND

The DD's on hand disclosed under the head Cash and Bank Balances mainly includes demand drafts drawn on Bank of India towards payment of centers for MS-CIT Jan 05 & Sept 2004 batches. As per the Payment Procedures these drafts are issued to centers only against receipt of study material acknowledgement from learners. Since in these cases the centers have not submitted these acknowledgments to the company, the DDs are not released and are kept in the custody of the Company.

12. LIABILITIES

The balances of creditors for materials & services and other liabilities are subject to confirmation.

13. RECEIVABLES

The balances of debtors and other receivables are subject to confirmation.

14. RECEIVABLE ON ACCOUNT OF MS-CIT

The debit balance under head receivable on account of MS-CIT in Schedule No. 5 item (c) constitutes accrual of revenue based on total registered learners. The said revenue accrual is relating for period 2002-04. It is decided to show this balance as Receivable from centres for the following reasons.

- 1) At the time of collection of fees into banks it was not possible to identify receipts against the number of learners because Bank kept transferring amounts from multi-locations branches to principal collection bank account of the Company till June 2003 batch. Since there were six batches conducted till June 2003 batch, the amounts collected under this bank Account could not be identified separately with any of the Batch Revenue during this period.
- 2) Fees were received upfront from learners. The Course content was delivered and Examinations were also completed as per the scheduled time. Thus all conditions for revenue recognition are met except matching of collection to number of learners registered. Owing to this and the number of learners registered on website of the company is the only base to arrive at total collection; the revenue is accounted based on number of learners. The receipts are matched to the revenue on ongoing basis.

The detailed analysis of receivables and process of recovery is in progress in order to ensure full recovery status of fees upto June 03 batch. As a result Rs 22,80,200 are received during the year. The company therefore considers this balance as recoverable.

15. RECLASSIFICATION

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

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

16. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1	3	3	1	0	1
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 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

0	5
---	---

Date Month Year

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

Public Issue	Rights Issue
- - N I L - - -	- - N I L - - -

Bonus Issue	Private Placement
- - N I L - - -	- - - - 2 7 0 7

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

Total Liabilities	Total Assets
- - 1 1 4 7 3 8	- - 1 1 4 7 3 8

Sources of Funds

Paid-up Capital	Reserves & Surplus
- - - 4 0 1 0 7	- - - 6 5 2 0 9

Secured Loans	Unsecured Loans
- - N I L - - -	- - - N I L - - -

Application of Funds

Net Fixed Assets	Investments
- - - 7 0 7 2 8	- - N I L - - -

Net Current Assets	Misc. Expenditure
- - - 4 3 2 9 7	- - - - - 6 3 7

Accumulated Losses
- - N I L - - -

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

Turnover	Total Expenditure
- - 5 0 5 4 8 5	- - 4 5 3 2 1 6

Profit Before Tax	Profit after Tax
- - - 5 2 2 0 5	- - - 3 1 6 5 4

Earning per Share in Rs.

7	.	3	2	/-
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Dividend Rate %

2	0
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16. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (CONTD...)

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

Item Code No. (ITC Code)

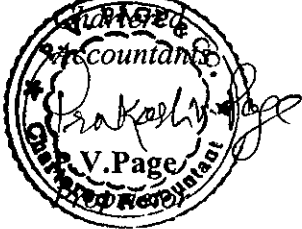
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Product Description


I	T		E	D	U	C	A	T	I	O	N
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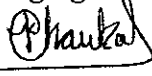
For and on behalf of the Board

For P.V. Page & Co.



Mumbai : October 18, 2005


Dilip D. Walse Patil
Chairman


Vivek Sawant
Managing Director

Komal Chaubal
Company Secretary


O.G. Satpute
Director Finance