



THE YASH BIRLA GROUP



BIRLA SHLOKA EDUTECH LIMITED

2009-2010

18TH ANNUAL REPORT

BOARD OF DIRECTORS:

- | | | |
|----|---------------------------|-------------------|
| 1. | Mr. Yashovardhan Birla | Chairman |
| 2. | Mr. Nigidallu Srikrishna | Managing Director |
| 3. | Mr. Mohandas Shenoy Adige | Director |
| 4. | Mr. Vijay Agarwal | Director |
| 5. | Mr. Anoj Menon | Director |
| 6. | Mr. Tushar Dey | Director |

COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Jigna Parikh

AUDITORS:

M/s L.K.M. & Co
Chartered Accountants
Mumbai

BANKERS:

Bank of India
YES Bank

REGISTERED OFFICE:

Industry House
159, Churchgate Reclamation
Mumbai 400 020

HEAD OFFICE:

Melstar House,
G-4, M.I.D.C Cross Road –A,
Andheri – East,
Mumbai – 400 093

SHARE REGISTRAR AND TRANSFER AGENT:

M/s. Bigshare Services Private Limited
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel: 022-40430200
Fax: 022-28475207

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of Birla Shloka Edutech Limited will be held on Monday, 27th September, 2010 at 3.00 pm at Maharashtra Chamber of Commerce, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Tushar Dey who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s L.K.M. and Co., Chartered Accountants, Mumbai (Firm Registration No.126823W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next the Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors".

SPECIAL BUSINESS:

4. **Increase in Authorised Share Capital and amendment of the Memorandum of Association of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- each (Rupees Ten only) to Rs.100,00,00,000/- (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10/- each (Rupees Ten only) by creation of an additional 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each (Rupees Ten only)."

"RESOLVED FURTHER THAT the existing Clause "V" of the Memorandum of Association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in its place, the following as new Clause "V" :

- V. The Authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs.10/- each (Rupees Ten only) with such rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company."

5. **Amendment of Articles of Association of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and the following article be substituted in its place as new Article 3 :

3. The Authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 10/- each (Rupees Ten only) each with power to increase and/or reduce the capital of the Company in accordance with the provisions of the Act and to divide the shares in the increased capital into several classes and attach thereto respectively such



preferential, qualified or special rights, privileges and conditions in such manner as may be permitted for the time being.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

6. Further Issue of Securities:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to and in accordance with the provisions of Section 81 (1), 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, and subject to any required approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India and the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and / or any other competent authorities, and pursuant to the Securities and Exchange Board of India guidelines, the Reserve Bank of India Guidelines, the relevant provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Agreement(s) with Stock Exchange on which the shares of the Company are listed (including any amendment thereto or re-enactment of all or any of the aforesaid) and subject to all such approvals, permissions, sanctions and consents, if any, as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such conditions and modifications as may be prescribed by any of the above said authorities, bodies and agencies, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof which the Board may have or may hereafter constitute, to which all or any of the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), from time to time in one or more tranches, whether rupee denominated or denominated in foreign currency, in consultation with the Lead Manager(s) and/or Underwriter(s) and/or other advisor(s), (i) Foreign Currency Convertible Bonds and/or other Securities including debentures convertible, at the option of the Company and/or entitling the holder thereof to apply and convert at his option into equity shares, and/or (ii) other securities convertible into or exchangeable with or linked to equity shares, and/or (iii) securities with or without detachable Warrants with a right exercisable by the warrant holder to subscribe for equity shares, and/or (iv) Warrants with a right or option exercisable by the warrant holder to convert or subscribe to equity shares, and/or (v) equity shares, preference shares or other convertible/non convertible securities of the Company, through public issue, right issue, Global Depository Receipts, American Depository Receipts, Qualified Institutions Placement, private offerings or through depository receipt mechanism, participatory notes or otherwise (all hereinafter collectively referred to as the “Securities”) and/or any combination of securities in domestic and/or one or more international markets to any person including promoters, existing shareholder(s), employee, Indian Public, Qualified Institutional Buyer(s), domestic institution(s), institutional investor(s), bank(s), mutual fund(s), companies, bodies corporate or other entities, individuals or other persons (collectively referred to as the “Investors”), whether residents and/or non-residents and/or strategic investors and/or non resident individuals and/or corporate bodies and whether or not such investors are members of the Company, as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs.250 Crores (Rupees Two Hundred and Fifty Crores only) or equivalent thereof in one or more foreign currency, inclusive of such premium as may be fixed on such Securities by offering the Securities through public offer and/or offer letter and/or placement document and/or circular and/or information memorandum and/or such other documents writings, and/or on private placement basis and/or a combination thereof in such manner, on such terms and conditions and at such time or times as may be determined by the Board in its absolute discretion, with power to settle details as to the form and terms of issue of the Securities and all other terms, conditions and matters connected therewith including to accept any modifications thereto or therein as may be required by concerned authorities and/or persons involved with any such issue of Securities subject, however, to all applicable laws and regulations.



RESOLVED FURTHER THAT in the event of issue of Securities by way of Global Depository Receipts and/or American Depository Receipts and/or Foreign Currency Convertible Bonds, the relevant date on the basis of which floor price for the underlying shares shall be determined, shall be the date as specified under the applicable law or regulation.

RESOLVED FURTHER THAT the relevant date for determination of the floor price of the equity shares that may be issued by way of Qualified Institutions Placement pursuant to Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, is as follows:

- (i) in case of allotment of equity shares, the date of the meeting in which the Board decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

RESOLVED FURTHER THAT the pricing of the securities and the pricing of any equity shares issued upon the conversion of the securities shall be made subject to and in compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares, with or without conversion rights, with or without voting rights or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into equity shares or issue of equity shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into equity shares.

RESOLVED FURTHER THAT in the event any of the Securities are issued in international / foreign capital market, the issue of such Securities shall be deemed to have been made abroad in the market and/or at the place of issue of such Security in the international market and shall be governed by the applicable domestic/ foreign laws/regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares pursuant hereto and/or as may be required to be issued and allotted upon conversion of any of the Securities referred to above or as may be necessary in accordance with the terms of offering thereof and all Equity Shares so issued and allotted shall be subject to the Memorandum and Articles of Association of the Company shall rank pari passu in all respects with the existing Shares of the Company unless otherwise specified in the relevant terms.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation, appointment of such Consultants, Lead Managers, Underwriters, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agent(s), Authorised Representatives, Trustee(s), Banker(s), Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required and to pay them such fees, commission and other expenses as it deems fit and enter into or execute all such agreement(s)/arrangement(s), MOU(s)/placement agreement(s)/underwriting agreement(s)/ deposit agreement(s)/trust deeds/subscription agreement/payment and conversion agency agreement/ or any other agreement(s) or document(s) with any such agencies, list the securities in domestic and/or international



stock exchange(s), authorizing any director(s) or any officer(s) of the Company, to sign for and on behalf of the Company offer document(s), agreement(s), arrangement(s), applications, authority letter or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certificate(s), declaration(s) as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Director or Committee of Directors/Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions."

7. **Delisting of shares from Calcutta Stock Exchange Limited:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the Securities and Exchange Board of India (SEBI) Regulations, Guidelines and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting of the equity shares of the Company from the Calcutta Stock Exchange Limited (CSE) and for that matter to approach the said Stock Exchange and any other concerned authorities, seeking its/their approval for voluntary delisting of Equity Shares from the said Stock Exchange."

"RESOLVED FURTHER THAT the Board of Directors or any officer authorized by the Board is authorized to take all such steps, to do all such acts, deeds, things and to settle all questions, difficulties or doubts as may arise in this regards to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval from the Members."

8. **Delisting of Shares from Ahmedabad Stock Exchange Limited:**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT subject to the Securities and Exchange Board of India (SEBI) Regulations, Guidelines and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting of the equity shares of the Company from the Ahmedabad Stock Exchange Limited (ASE) and for that matter to approach the said Stock Exchange and any other concerned authorities, seeking its/their approval for voluntary delisting of Equity Shares from the said Stock Exchange."

"RESOLVED FURTHER THAT the Board of Directors or any officer authorized by the Board is authorized to take all such steps, to do all such acts, deeds, things and to settle all questions difficulties or doubts as may arise in this regards to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval from the Members."

9. **Increase in Remuneration of the Managing Director:**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT as per the recommendation of Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration including salary, allowances, perquisites and benefits to Mr. Nidigallu Srikrishna, Managing Director of the Company as per the terms and conditions set out hereunder, with effect from 1st April, 2010 till the expiry of this present term i.e. 31st May, 2012 subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956.

I. Salary/Perquisites/Benefits/Allowance

1. Mr. Nidigallu Srikrishna shall be entitled to a salary, perquisites, allowances, benefits, etc. not exceeding Rs. 36 lakhs per annum.
2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imbusement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, benefits & allowances as per the policy / rules of the Company that may be in force. Allowances and



perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.

- Mr. Nidigallu Srikrishna shall also be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, Encashment of Leave at the end of his tenure as Managing Director, as per the policies/ rules of the Company and the same shall not be included for the purposes of computation of perquisites.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and / or vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Nidigallu Srikrishna from time to time, as deemed expedient or necessary and the terms of agreement shall be suitably modified to give effect to such alteration and/or variation."

10. Issuance of Equity Share Warrants of the Company to Promoters on Preferential Allotment Basis:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 20,00,000 warrants to the Promoter and Promoter Group of the Company (hereinafter referred to as "allottees") entitling the warrant holders to subscribe in one or more tranches for one equity share of the face value of Rs.10/- each fully paid up, at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which shall be higher of the following:

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date:

OR

- The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges during the two weeks preceding the relevant date.

The allottees being as follows:

Promoter and Promoter Group:

Sr. No.	Name of the Promoter	No. of Warrants
1.	Godavari Corporation Private Limited	7,00,000
2.	Nirved Traders Private Limited	7,00,000
3.	Shearson Investments & Trading Co Pvt Ltd	6,00,000
	Total	20,00,000

**RESOLVED FURTHER THAT:**

- I. The Equity Shares to be issued and allotted by the Company on conversion of warrants in the manner aforesaid shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- II. The Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares of the Company, including entitlement to dividend.

RESOLVED FURTHER THAT:

- I. The warrant holders shall be entitled to apply for and obtain in their sole discretion for every warrant one equity share of Rs. 10/- each fully paid up at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which option shall be exercised by the warrant holder at any time before the expiry of 18 months ("term of the warrants") of such issue by giving a notice of at least 10 days.
- II. The warrant holders are entitled to exercise the warrants in full or in part or may decline to exercise the option to convert the warrants, in which case the unexercised warrants shall be deemed to have lapsed at the end of their term,
- III. In consideration of the warrants being subscribed, the aforesaid allottees shall pay to the Company an amount representing 25 % of the issue price of the Equity Shares at the time of allotment of the Warrants. The balance 75% shall be payable at the time of allotment of the Equity shares pursuant to the exercise of the option of conversion of the warrants. The Board shall forfeit such amount in respect of any such warrants in respect of which the allottees do not exercise their option to convert the same into Equity Shares.
- IV. The warrant by itself shall not give the holder thereof any rights of shareholder of the Company. Further, these warrants are non-transferable and shall not be listed on the Stock Exchange(s).
- V. The Board shall be entitled to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of Equity Shares and warrants, including reduction of the size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the Warrants, for the purpose of determining the issue price of Equity Shares (to be allotted on exercise / conversion of the warrants) will be the date 30 days prior to the date of the Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and (including the equity shares arising on exercise of the warrants) and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all question, doubts and difficulties that may arise in the proposed issue, offer and allotment of any of the securities, utilization of the issue proceeds and to do all such acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

**By order of the Board of Directors of
Birla Shloka Edutech Limited**

Place: Mumbai

Date: 4th September, 2010

Company Secretary

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office, not less than 48 hours before the meeting.
2. The register of Members and Share Transfer Books will remain closed from 23rd September, 2010 to 27th September, 2010 (both days inclusive).
3. Members holding shares in physical form are requested to notify immediately any change in their address with pin code to the Company's Share transfer Agents M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai -400 072 and in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants (DPs) and not to the Company.
4. Members, who hold shares in dematerialized form, are requested to write their client ID Numbers and those who hold shares in physical form are requested to write their folio number in the Attendance slip for attending the meeting.
5. Members are requested to write to the Company at least seven days in advance before the date of meeting in case they need any information as regards to the Audited Accounts for the financial year ended on 31st March 2010, to enable us to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item No. 4& 5 - Increase in Authorized Share Capital of the Company:**

At present, the Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each (Rupees Ten only) . To augment the financial needs, your Company is planning to offer, issue and allot Equity Shares of such amount as may be deemed necessary and beneficial, and raise funds by further issue of capital in the due course of time. This will require increase in the Authorised Share Capital from Rs.50,00,00,000/- (Rupees Fifty Crores Only) to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) by creation of 5,00,00,000 (Five Crore) Equity Shares of Rs.10/- each (Rupees Ten Only).

Pursuant to Section 94 of the Companies Act, 1956, the above proposal requires the approval of the shareholders. The resolution proposed vide Item No. 4 and 5, if approved, would also result into amendment of Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company. The approval of the shareholders for the proposed amendments would be required vides Sections 16 and 31 of the said Act, respectively.

The resolutions proposed in Item Nos.4 and 5 are therefore recommended for your approval.

None of the Directors of the Company are interested or concerned in the above resolution.

Item No. 6 - Further Issue of Securities

It is proposed to raise funds by further issue of shares/securities by way of and through issuance of shares/foreign currency convertible bonds/ share warrants/ equity linked securities/ADRs /GDRs as may be permitted under the applicable laws and regulations and as may be deemed necessary and beneficial to the Company in the due course of time. The proceeds of the issue are proposed to be utilised towards the Company's long term working capital, to finance future projects, acquisitions and other corporate purposes.

The detailed terms and conditions for offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

As per Section 81(1A) of the Companies Act, 1956, whenever it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81 unless the shareholders in a General Meeting by way of special resolution decide otherwise. As the Special Resolution proposed in the Notice results in the issue of shares of the Company to members and /or non-members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1), 81 (1A) and other applicable provisions of the Companies Act, 1956 and the clauses of Listing Agreement executed by the Company with Stock Exchange where the Equity Shares of the Company are listed.



The Special Resolution seeks to provide enabling authority to the Board of Directors of the Company to issue the securities as mentioned in the Resolution.

The Board recommends the Special Resolution as set out in the Notice for members' approval.

None of the Directors of the Company are interested or concerned in the above resolution, except to the extent of their shareholding.

Item No. 7 & 8 - Delisting from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited

The Company's shares are listed on Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited (ASE) and Calcutta Stock Exchange Limited (CSE). Bombay Stock Exchange Limited (BSE) provides a nation wide trading facility and unrestricted, unhindered access to the investors to trade in the shares of the Company. Also, the trading volume in Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited is very insignificant. Hence it is proposed that the Equity Shares of the Company be de-listed from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

The shareholders are requested to accord their approval to the special resolutions for de-listing of Equity Shares from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

None of the Directors of the Company are interested or concerned in the above resolution.

Item No. 9 - Increase in Remuneration of the Managing Director

Mr. Nidigallu Srikrishna was appointed as a Director of the Company on 3rd July, 2008 and subsequently as the Managing Director of the Company w.e.f. 1st June, 2009.

The Remuneration Committee and the Board of Directors of the Company in their meeting held on 10th August, 2010 have recommended the increase in remuneration of Mr. Nidigallu Srikrishna w.e.f. 1st April, 2010, subject to the approval of the shareholders of the Company.

Mr. Nidigallu Srikrishna, aged 42 years is a qualified B.E. (Engg) from SMBIT Institute of Technology, Bangalore University. Prior to joining the Company, he was the Managing Director of M/s Enmasse Consultancies Private Limited. Mr. Nidigallu Srikrishna has to this credit, an experience of over 15 years in Entertainment, Education and Infrastructure development. He has successfully commissioned projects for prestigious organizations like CDAC, Ministry of Information Technology, GoI, Anna University and Gemini Network.

The Company has benefited from his rich and varied experience and continues to do so.

The increase in remuneration as mentioned in the notice may be treated as an abstract of the variation of the contract of the appointment of Mr. Nidigallu Srikrishna under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Nidigallu Srikrishna are concerned and/or interested in the proposed resolution.

The Board recommends the resolution as mentioned in Item No.9 of the Notice.

INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT 1956

I. GENERAL INFORMATION

1. Nature of Industry: Development and marketing of software products including multimedia based educational products
2. Date or expected date of commencement commercial production: The Company was incorporated on 25th May, 1992 as a private limited company and is in operation since then. However the current activities of the Company were commenced in the year 1998.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus: Not Applicable
4. Financial performance based on the given indicators:



As per audited Accounts for the year ended 31.03.2010:

Particulars	Rupees in lakhs
Turnover and other Income	18,014.21
Net Profit for the year	501.04
Paid up Share Capital	1295.36
Net-worth	4389.09

5. Export performance and net foreign exchange collaboration: Nil
6. Foreign investments or collaborators, if any: Nil

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:** Mr. Nidigallu Srikrishna, aged 42 years is a qualified B.E. (Engg) from SMBIT Institute of Technology, Bangalore University. Prior to joining the Company, he was the Managing Director of M/s Enmasse Consultancies Private Limited. Mr. Nidigallu Srikrishna has to this credit, an experience of over 15 years in Entertainment, Education and Infrastructure development. He has successfully commissioned projects for prestigious organizations like CDAC, Ministry of Information Technology, GOI Anna University and Gemini Network. He has been appointed as the Managing Director of the Company wef 1st June, 2009.

2. Past remuneration:

For the year 2009-10	Rs in lakhs
Salary	25
Perquisites	--
Contribution to PF & other funds	--
Total	25

3. Recognition or awards: NA

4. **Job Profile and his suitability:** Mr. Nidigallu Srikrishna is in charge of overall affairs of the Company under the superintendence and guidance of the Board of Directors of the Company. He will also perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time.

Taking into consideration his qualification and experience in the relevant fields, Mr. Nidigallu Srikrishna is best suited for the responsibilities assigned to him by the Board of Directors.

5. **Remuneration Proposed:** As stated herein before.

6. **Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details w.r.t. the country of his origin):** Taking into consideration the size of the Company, the profile of the appointee, the responsibility shouldered, and the nature of work, the proposed remuneration to be paid to Mr. Nidigallu Srikrishna, is commensurate with the Company and other Managerial Personnel.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Not applicable except for the remuneration proposed.

III. OTHER INFORMATION:

1. **Reasons for loss or inadequacy of profits:** The Company is mainly engaged in development and marketing of software products including multimedia based educational products. During the year 2009-10, the performance of the Company has been affected due to the continuing global slowdown as there has been lower than expected demand for Information Technology products. Our operations have been affected to certain extent due to such trends and margins are under pressure. Such pressure on revenues and margins has led to inadequacy of profits for the Company.
2. **Steps taken or proposed to be taken for improvement:** The Company is taking various efforts to overcome the situation which include new market development and reduction of costs. In the current financial year the Company is proposing to offer services and products to government schools segment which should contribute a reasonable margin to overcome the inadequacy of profits of company.



3. Expected increase in productivity and profits in measurable terms: The Company will strive to widen its clientele base, increase market share by stepping up marketing initiatives. The Company is also proposing to enter into few strategic alliances with a view to meet its objective. The aforesaid measures are expected to substantially increase the productivity and profits of the Company.

Item No. 10**Issuance of Equity Share Warrants of the Company to the Promoter(s) on Preferential Basis:**

In order to augment the long term resources of the Company for meeting the working capital requirements and to assist in the expansion plans of the Company, it is proposed to allot 20,00,000 (Twenty Lakh) equity share warrants to the Promoter and Promoter Group of the Company on a Preferential basis. The proposed preferential issue is in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company having a face value of Rs. 10/- per share.

The issue of equity shares will be at a price not less than the higher of the following:

- (i) the average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges during the six months preceding the 'Relevant Date'.

OR

- (ii) The average of the weekly high and low of the closing prices of the Company's shares quoted on Exchanges, during the two weeks preceding the 'Relevant Date'.

The 'Relevant Date' for determining the issue price of the equity shares will be the date 30 days prior to the date of the Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

An upfront payment of 25% of the price of warrant shall be paid by the allottees before the allotment of the convertible warrants and the same will be adjusted against the issue price of the respective equity shares at the time of conversion.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted shall give rise (on conversion/ exercise of right) to not more than 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- each fully paid-up.

If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months such entitlement shall lapse and the amount paid on allotment of such warrants shall stand forfeited pro-rata.

The proposed allottees have given a letter to apply for the allotment of warrants when they are issued.

The shares issued shall be subject to the lock in period as set out in the Regulations. The proposed allottees have not sold any shares of the Company during the last six months from the relevant date. However the locked in equity shares may be transferred to and amongst the Promoter and Promoter group subject to conditions of lock-in in the hands of transferees for the remaining period and after complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be applicable.

Disclosures pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:**i. Object of Issue:**

In order to augment the long term resources of the Company, for meeting the Working Capital requirements and to assist in the expansion plans of the Company, at the least possible issue costs, it was thought fit to issue share warrants on preferential basis.

ii. Intention of the Promoter and Promoter Group to subscribe to the issue:

Promoter and Promoter Group intends to subscribe to 20,00,000 (Twenty Lakhs) equity shares warrants. The names of the Promoter and Promoter Group and the number of warrants agreed to be subscribed by them are provided elsewhere in the Notice.

**iii. Pre and Post Shareholding Pattern:**

The Shareholding Pattern of the Company before and after the proposed preferential allotment is furnished hereunder:

Category	Pre-Issue Shareholding Pattern		Shareholding Pattern post conversion of Warrants	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Promoter and Promoter Group	4399585	22.06	6399585	29.16
B. Public Shareholding				
Financial Institutions/Bank	3000	0.02	3000	0.01
Bodies Corporate	4942385	24.78	4942385	22.52
Resident Individuals	3508937	17.58	3508937	15.98
Clearing Member	71901	0.36	71901	0.33
NRI	27792	0.14	27792	0.13
Share held by custodians and against which depository receipt have been issued.	6994625	35.06	6994625	31.87
Total	19948225	100.00	21948225	100.00

iv. Proposed time within which the allotment shall be completed:

As required under the SEBI Regulations, the allotment of warrants shall be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or Central Government, the allotment would be completed within 15 days from the date of such approval.

v. Identity of the Allottees:

Name of the proposed allottees	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	No. of Shares	% of holding	No. of Shares	% of holding
Godavari Corporation Private Limited	2056780	10.31	2756780	12.56
Nirved Traders Private Limited	1355292	6.79	2055292	9.36
Shearson Investments and Trading Co. Pvt. Ltd.	236360	1.18	836360	3.81

The issue of equity shares as aforesaid will not result in any change in the Management/Control of the Company.

vi. Lock-in-requirements:

In terms of the SEBI Regulations for Preferential Issues, the Equity Shares allotted on exercise of the option of conversion of the Warrants proposed to be allotted to the Promoter and Promoter Group shall be locked-in for a period of three years from the date of their allotment or such other period as prescribed in the SEBI Regulations, provided that in any case, not more than 20% of the total capital of the Company, including capital brought in by way of preferential issue, shall be subject to lock-in of three years from the date of allotment.

Further, the entire pre-preferential allotment shareholding of Promoter and Promoter Group, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

vii. Other terms of Issue of Warrants

- The proposed allottee of the Warrants shall on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant.
- The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment of warrants but on or before the expiry of 18 months from the date of allotment of warrants, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.



3. If the entitlement against the Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
4. Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share against each Warrant by appropriating Rs.10/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the securities premium amount.
5. The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of shareholder of the Company.
6. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company.

The allotment of Warrants does not require making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The aforesaid allottee(s) shall be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable, consequent to the allotment of shares on conversion of Warrants as proposed above.

In view of the above, it is proposed to issue upto 20,00,000 (Twenty Lakhs) number of Warrants to the Promoter & Promoter Group (convertible into equivalent number of equity shares of Rs. 10/- each fully paid-up) on a preferential basis, at a price including premium determined in accordance with the criteria given under the SEBI Regulations.

A copy of the certificate from the Statutory Auditors of the Company, M/s. L.K.M. & Co., Chartered Accountants, certifying that the issue of the Warrants is being made in accordance with the requirements of SEBI Regulations for Preferential Issues, will be available for inspection at the Registered Office of the Company situated at Industry House, 5th Floor, 159 Churchgate Reclamation, Mumbai 400 020, during the office hours on all working days except Saturdays and Sundays between 10.00 a.m. and 6.00 p.m. upto 27th September, 2010.

The consent of the Shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

None of the Directors except Shri Yashovardhan Birla are interested in the said resolution. The Board recommends adoption of the Special Resolution by the members.

**By order of the Board of Directors of
Birla Shloka Edutech Limited**

Date: 4th September, 2010
Place: Mumbai

Company Secretary

**DIRECTORS' REPORT**

To
The Members
Your Directors are pleased to present the Eighteenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS:

(Amount in lakhs)

Particulars	As on 31.03.2010 Rupees	As on 31.03.2009 Rupees
Total Income	18,014.21	10,402.66
Total Expenditure	17,237.17	10,310.50
Interest & Financial Charges	32.16	4.67
Profit/(Loss) before Tax and Depreciation	744.88	87.49
Less: Depreciation	210.49	47.91
Profit/(Loss) Before Tax	534.39	39.58
Less: Provision for Taxation		
Current MAT	90.82	3.14
Less: MAT Credit Entitlement	(90.82)	—
Deferred Tax	33.36	4.98
Profit/(Loss) After Tax	501.03	31.46
Add:- Balance brought forward from last year	64.23	—
Add:- Transfer from Amalgamation Reserve Account	—	32.77
Balance Carried to Balance Sheet	565.26	64.23
Earning Per Share	6.96	0.52

DIVIDEND:

In order to preserve funds for future activities, your Directors have not recommended any dividend for the financial year ended 31st March 2010.

PERFORMANCE REVIEW:

During the year under review the total income of the Company increased by Rs.7,611.56 Lakhs and the profit after tax increased by Rs.469.58 Lakhs over the previous year. The Company's reserves and surplus stand at Rs. 3,093.73 Lakhs as at 31st March, 2010.

BUSINESS REVIEW & FUTURE PROSPECTS:

The Company has a curriculum based educational software program viz., 'XL@school' as per the syllabus prescribed by different educational boards and is designed to impart academic knowledge through electronic media. To cope up with the increased business opportunities, your Company has made considerable investment in research and development areas, ongoing quality enhancement program and infrastructure facilities, etc. The Company has planned to expand its business in Information and Communication Technology (ICT) solution for various government schools segment.

The governments are keen to explore the Public Private Partnership (PPP) model for setting up of Schools which the private partner will design, build, finance and manage. The Company sees enormous potential in this space for future growth as more and more states are likely to devise and implement similar schemes for Senior Secondary Education and probably in primary education too.



The Company is aggressively participating in tenders of various state government projects and vigorously pursuing such initiatives across the country.

FOLLOW-ON PUBLIC ISSUE OF THE COMPANY:

Your Company had come out with a further public issue in the month of January, 2010 for 69,55,000 equity shares of Rs.10/- each for cash at a premium of Rs 40/-per share (i.e. at an offering price of Rs 50/- per share) aggregating to Rs. 34,77,50,000/-.

The Issue was received well by the public and was oversubscribed 1.41 times. The said shares have been listed on all the exchanges with which the Company is listed, i.e. Bombay Stock Exchange Limited, Calcutta Stock Exchange Limited & Ahmedabad Stock Exchange Limited.

GLOBAL DEPOSITORY RECEIPTS ISSUE OF THE COMPANY:

Your Directors propose to raise funds by tapping foreign markets through Global Depository Receipts. The funds to be raised are proposed to be utilised towards the Company's long term working capital and to finance future projects, acquisitions and other corporate purposes.

LISTING OF SHARES WITH THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED & DELISTING FROM CALCUTTA & AHMEDABAD STOCK EXCHANGES:

The shares of your Company are listed on Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited (ASE) and Calcutta Stock Exchange Limited (CSE).

The Board of Directors of your Company has proposed to get the shares of the Company listed with the National Stock Exchange of India also. NSE is the largest stock exchange in the country in terms of trading and with its unprecedented reach will be beneficial to the shareholders in terms of liquidity and marketability of its shares. The Board has made the application to Exchange and is awaiting their approval.

Further, the trading volume in Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited is very insignificant. Hence it is proposed that the Equity Shares of the Company be de-listed from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

PARTICULAR OF EMPLOYEES:

In terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and particulars of the employees required to be set out in the Directors Report are given in the Annexure appended to this report.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the Public or the Shareholders during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

DIRECTORS:

In terms of Article 129 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956, Mr. Tushar Dey retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS & AUDITORS REPORT:

M/s L.K.M & Co., Chartered Accountants, Statutory Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from M/s.



L.K.M. & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors in the annexure to the audit report have made an observation with respect to a Service Tax overdue of Rs. 36.71 lakhs (net). The Company is taking necessary steps to make payment of the same.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended to this Report.

CORPORATE GOVERNANCE REPORT:

A report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is attached as a separate annexure and forms part of this Report.

Corporate Governance compliance certificate obtained from the Auditors of the Company is also attached to this Report.

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

Although the Company is not engaged in manufacturing activities, the Company makes every effort to conserve energy as far as possible in its offices, facilities etc. Energy conservation is always given focus from the point of view of cost control and also a social responsibility. Strict control and monitoring of usage, good upkeep and turning off of equipments result in optimum usage of electrical power. To enhance its capability and customer services, the Company continues to make significant investments in research and development. The Company will continue to invest in the latest technologies to suit the business needs in the market place. Training employees in the latest and relevant technologies would continue to remain a focus area.

There was no foreign exchange earning and out go during the year under review.

ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents of the Company during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Mohandas Shenoy Adige
Director

Nidigallu Srikrishna
Managing Director

Place: Mumbai

Date: 27th May, 2010

ANNEXURE TO DIRECTORS' REPORT

PARTICULAR OF EMPLOYEES:

In terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and particulars of the employees required to be set out in the Directors Report are given as hereunder:

Name	Designation	Gross Remuneration (Amount in Rs.)	Qualification	Experience	Date of joining	Age	Previous employment
Mr. Nidigallu Srikrishna	Managing Director	25,00,000	B.E (Engg), SMBIT Institute of Technology, Bangalore University	15yrs	July 3, 2008	42 yrs	M/s. Enmasse Consultancies Private Limited



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

(i) Industry Structure and Development

Your directors are glad to inform you that major developments have been made by the Company in software development. The educational software developed by the Company has been installed in schools to provide knowledge through electronic media. The new strengths of the Company are in e-commerce/e-business, digital content development, R&D services, telecom software and IT enabled services.

(ii) Opportunities and Threats

With many developments in the economy and severe competition amongst the companies, the prime opportunity lies in meeting the customers' expectations in terms of high quality, prompt response in time, services & performance and the same opportunities were regularly grabbed by your Company. The need for ICT solution in government school is growing and opportunities are available in this space. Retail opportunities are available by way of sale of software contents to the end customer directly. The threats faced by the software sector are global downturn with small players more severely hit.

(iii) Segment-wise or Product-wise Performance

Almost 99% of the total revenue is from software segment hence segment reporting as per AS17 is not applicable.

(iv) Outlook

The Education sector is one of the most promising sector creating tremendous opportunities. With this in regard the Company sees bright prospects in the coming year. The Company sees tremendous growth opportunities in the following areas:

1. Supply of ICT solution to government and private schools.

We see numerous opportunities under the ever increasing scope of Information and Communication Technology (ICT) of the Government of India. The ICT is being used from School Education to University Education. The Government is increasingly focusing at the Public Private Partnership (PPP) model to set up more number of Centers of Excellence and Skill Based Vocational Training Centers which will enhance the employability potential of students.

The Government of India, with the aim of improving Computer Literacy in Public Schools is increasingly opting for Public Private Partnerships to source IT Infrastructure and training under the Sarva Shiksha Abhiyaan (SSA) Programme

Institutions have varying requirements and the private sector may be able to offer innovative solutions that will provide quality services and value for money.

2. K – 12 Curriculum Development

The Company has developed a research based K-12 curriculum which is based on the National Curriculum Framework 2005 and draws on the best practices of national and international boards and therefore merges seamlessly with the prevalent boards of education that currently exist in the country, namely CBSE, ICSE, IB and IGCSE. The curriculum will bring back creativity and the joy of learning to our schools and drive the students to take up the onus of learning and learn to be independent learners.

The curriculum focuses on conceptual understanding rather than 'covering of content'. Along with the curriculum, a number of support functions are provided to existing schools and new schools across the length and breadth of the country in the form of detailed lesson plans, resources, teaching aids and teacher training and teacher support to ensure that the curriculum is implemented effectively, be it a private school in a tier 1 city or a government school in rural India.

Most of the Government and Private schools follow the conventional teaching methodology and curriculum where the classroom is more teacher centric classroom than a student centric one. Your Company sees an opportunity to help transform these schools

3. Interactive multimedia learning and education system.

The Company has a well developed library of syllabus based interactive multimedia learning content for CBSE & Maharashtra State Board. The Company has initiated the process of enhancing the features of the existing content and also develop the syllabus based interactive multimedia content for other state and central boards to expand the footprints in the segment of Multimedia Content for learning across the country.

4. Supply of software as per customer specifications and requirements.

The Company is engaged in the business of providing customized software based on the specifications and requirements of its customers. The Company sees more prospects and growth in this segment and is therefore enhancing its capabilities to offer more products and services in this segment.



5. Development of Teaching Solutions and Learning Aids for Early Year Schooling

The Company intends to set up development centre to create learning solutions for the young learners about the space, environment & relationships around them. The program will aid children to explore & nurture relationships they share within the spectrum of this space/ environment, empowering them to take ownership of the environment and relationships around them while contributing positively towards it.

This unique solution together with the learning aids and collaterals developed by the company intends to provide unique teaching methodology and aids for Pre Schools. The Company intends to have strategic tie ups with leading providers of collaterals like storybooks, music CDs, Story CDs, games and manipulative games, theme kits, toys, interactive games etc., to augment the solutions developed by the company.

6. Public Private Partnership (PPP) model for setting up of Schools

The State Governments are taking initiatives with a goal to establish Senior Secondary Schools under "Design, Build, Finance, Manage, Operate and Transfer (DBFMOT)" to make education within reach of more people, in areas where no schools exist. The governments are keen to explore the Public Private Partnership (PPP) model for implementing this initiative wherein the Government envisages that the private partner will design, build, finance and manage these schools for a tenure of around 30 years. The government supports the initiative by providing land and certain capital assistance to the private partner.

The Company sees enormous potential in this space for future growth as more and more states are likely to devise and implement similar schemes for Senior Secondary Education and probably in primary education too.

7. Setting up and managing Teacher Training Institutes

In the coming years India is expected to face a huge demand for schools and teachers to educate its rapidly increasing school population. The curriculum in most of the existing Teacher Training Institutes does not equip teachers with the requisite skills to prepare students for tomorrow.

We are committed to setting up state of the art Teacher Training Institutes across the country that will attract the country's leading talent and prepare a cadre of highly skilled teachers who can ensure that each child learns in our classrooms. The infrastructure of the teacher training institute will mirror the kind of experiential learning environment that is advocated for the child. The teacher training school will house state of the art science laboratories, math and social science laboratories, art and performing art studios and sports grounds.

(v) Risk and concerns

1. The major risks which prevail in the industry are high fluctuations in the prices of software programmes and hardware components. The Company faces risks due to competition in the Indian market. Your Company is taking due care to overcome risks in the industry by adopting new technology and latest know how in development of the software programs.
2. Our business involves installation of a large number of Computer Systems and other electronic equipments across various geographies. Such electronic equipments are prone to hardware/software malfunction, virus attacks, hacking and technological obsolescence. If any such events occur, we run the risk of disruption of our operations.

(vi) Internal control system and their adequacy.

The Company has set up adequate internal control systems to safeguard the assets of the Company and to conduct checks on the maintenance of accounting records. A continuous process of checking is introduced in the Company. The Company has an independent appraisal system to examine and evaluate the adequacy and effectiveness of Internal control Systems.

(vii) Financial Performance with respect to Operational Performance.

The Company has achieved a turnover of Rs.18,014.21 Lacs during the year 2009-10. To get an overall view on financial performance, please refer the Financial Results as given above.

(viii) Material development in Human Resources/ Industrial Relations front, including Number of people employed.

The working environment of the Company was cordial during the year. The Company has taken steps to provide training to all the levels of employees of the Company in various departments. The workforce of the Company including workers, staffs and executive were 60 during the year under review.

(ix) Cautionary Statement

Some of the statements contained within this Report may be forward looking in nature and may involve risks and uncertainties. Actual results and outcomes in future may vary materially from those discussed herein. Factors that may cause such variance include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.



CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The Company is committed to achieve the highest international standards of Corporate Governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

I. Board of Directors

a) Composition and Category

The Company has an optimum combination of executive and non-executive directors. The Board comprises of one executive director, three non-executive independent directors and two non-executive directors. The composition of the Board is as follows:

Name of Director	Category
Mr. Yashovardhan Birla	Chairman (Non-Executive)
Mr. Nidigallu Srikrishna	Managing Director
Mr. Mohandas Shenoy Adige	Non-Executive, Independent
Mr. Vijay Agarwal	Non-Executive, Independent
Mr. Anoj Menon	Non-Executive, Independent
Mr. Tushar Dey	Non-Executive, Non Independent

Details of the other Directorship and Chairmanship/ Membership of Committee of each Director in various companies as on 31st March, 2010 is as follows:

Sr No	Name of Director	No. of Directorship held in other Public Companies*	No. of membership/ Chairmanship/ on other Board Committees
i.	Mr. Yashovardhan Birla (Non-Executive Non-Independent Chairman)	9	1 (as Chairman)
ii.	Mr. Nidigallu Srikrishna Executive- Managing Director	1	--
iii.	Mr. Mohandas Shenoy Adige (Non-Executive Independent Director)	6	5
iv.	Mr. Vijay Agarwal (Non-Executive Independent Director)	6	5 (including 1 as Chairman)
v.	Mr. Anoj Menon (Non-Executive Independent Director)	1	--
vi.	Mr. Tushar Dey (Non-Executive Non-Independent Director)	3	--
vii.	Mr. K.P. Chokhani (Non-Executive Director) (resigned wef 25th May, 2009)	NA	NA

*Excludes alternate directorships, additional directorships and directorships of private and foreign companies.

**b) Non-executive directors' compensation & disclosures:**

Apart from sitting fees that are paid to the non-executive and independent directors for attending Board and Committee meetings, no other fee/commission was paid during the year. During the year under review, there was no pecuniary relationship or business transaction by the Company with any non-executive directors. The details of sitting fees paid to the Directors are given separately in this Report.

c) Information on Directors re-appointment:

A brief resumé of the Director being proposed to be re-appointed at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and names of the companies in which he holds directorship (excluding directorship held in Private Limited and Section 25 Companies) and the membership of committees of the Board is furnished hereunder:

Mr. Tushar Dey, aged 45 years is a qualified company secretary and also holds bachelors degree in General Law. He has over 20 years of experience in handling legal and secretarial matters such as Mergers and Amalgamations, Corporate Restructuring, IPOs, IPR issues, Custom and Excise matters, Litigations, structuring of Joint Ventures and Corporate Governance Issues. He has been with the Yash Birla Group since 2006.

Details of his other directorship in public companies and committee memberships are as under:

Name of Company	Committee-Chairman/Member
Birla Accucast Limited	-
Birla Surya Limited	-
Birla Infrastructure Limited	-

d) Other provisions as to Board & Committees:

During the year ended 31st March, 2010, ten Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on 24th April, 2009, 25th May, 2009 (two meetings), 30th June, 2009, 29th July, 2009, 30th October, 2009, 17th November, 2009, 11th December, 2009, 30th January, 2010 and 15th February, 2010.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than four months. None of the directors of the Company were a member of more than ten committees or Chairman of more than five committees across all public limited companies in which he was a director.

For the purpose of considering the limit of the Committees as stated above, only Audit Committee and Shareholders / Investors Grievances Committee across all public limited companies has been considered in accordance with clause 49 of the Listing Agreement.

Attendance of the Directors at the Board Meetings and the Annual General Meeting is as follows:

Sr. No.	Name of Director	No. of board meetings attended	Whether attended previous AGM
i.	Mr. Yashovardhan Birla (Non-Executive Non-Independent Chairman)	8	No
ii.	Mr. Nidigallu Srikrishna Executive- Managing Director	10	Yes
iii.	Mr. Mohandas Shenoy Adige (Non-Executive Independent Director)	6	Yes
iv.	Mr. Vijay Agarwal (Non-Executive Independent Director)	8	No
v.	Mr. Anoj Menon (Non-Executive Independent Director)	8	Yes
vi.	Mr. Tushar Dey (Non-Executive Non-Independent Director)	10	Yes
vii.	Mr. K.P. Chokhani (Non-Executive Director) (resigned wef 25th May, 2009)	1	NA

**e) Code of Conduct**

The Company has laid down a Code of Conduct for all the Board members and senior management personnel of the Company. The Code of Conduct is available on the website of the Company.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended) the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorised the Compliance Officer to implement and monitor the various requirements as set out in the Code under the superintendence and control of the Board of Directors of the Company.

A declaration from the Managing Director of the Company is given below:

To,
The Shareholders of Birla Shloka Edutech Ltd,
Subject: Compliance with Code of Conduct

I hereby declare that all the Board members and senior management personnel of the Company have affirmed with the Code of Conduct as adopted by the Board of Directors.

Sd/-
Nidigallu Srikrishna
Managing Director

Mumbai 27th May, 2010

II. Committees of the Board**A. Audit Committee****Composition, names of members and Chairperson**

The Audit Committee has undergone reconstitution during the year. The Audit Committee as per the provisions of Section 292A of the Companies Act, 1956 comprises of three non-executive Directors, all being independent, namely:

Name	Title	Status
Mr. Vijay Agarwal	Chairman w.e.f. 25.05.09	Independent
Mr. Mohandas Shenoy Adige	Member w.e.f. 25.05.09	Independent
Mr. Anoj Menon	Member w.e.f. 25.05.09	Independent
Mr. K.P. Chokhani	Member upto 25.05.09	Independent
Mr. Nidigallu Srikrishna	Member upto 25.05.09	Independent
Mr. Tushar Dey	Member upto 25.05.09	Non-Executive Non-Independent

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange, read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

Meetings and attendance during the year

During the year ended 31st March, 2010, the Committee has met 7 times as against the minimum requirement of four meetings. The meetings were held on 24th April, 2009, 30th June, 2009, 29th July, 2009, 30th October, 2009, 17th November, 2009, 11th December, 2009 and 30th January, 2010. Representatives of the Statutory Auditors were invited to be present at the Audit Committee meetings. The attendances at the meetings were as under:



Name	No. of Meetings held during the year	No. of meetings attended
Mr. Vijay Agarwal	7	6
Mr. Mohandas Shenoy Adige	7	4
Mr. Anoj Menon	7	6
Mr. K.P. Chokhani	7	1
Mr. Nidigallu Srikrishna	7	1
Mr. Tushar Dey	7	1

B. Remuneration Committee

The Board of Directors of the Company has constituted a Remuneration Committee on 25th May, 2010. The composition of the Committee is as follows:

Name	Title	Status
Mr. Mohandas Shenoy Adige	Chairman	Independent
Mr. Vijay Agarwal	Member	Independent
Mr. Anoj Menon	Member	Independent

The meeting of the Committee was held on 25th May, 2009 and all the members were present.

The Committee has been constituted to fix remuneration payable to the Managing Director/Executive Directors, and such other matters relating to the remuneration and compensation payable to the Director(s) and employees.

The Company does not pay any remuneration to its non-executive directors except sitting fees for attending each meeting of the Board of Directors and Committee w.e.f. 25th May, 2010.

Details of remuneration paid to all the Directors of the Company during the year:

Sr. No.	Name of director	Remuneration (Rs.)	Sitting fees (Rs.)
1.	Mr. Yashovardhan Birla	-	14,000
2.	Mr. Nidigallu Srikrishna	25,00,000	4,000
3.	Mr. Mohandas Shenoy Adige	-	38,000
4.	Mr. Vijay Agarwal	-	30,000
5.	Mr. Anoj Menon	-	52,000
6.	Mr. Tushar Dey	-	40,000

Except for Mr. Yashovardhan Birla who holds 11,200 equity shares in the Company, none of the other directors hold shares in the Company.

C. Shareholders / Investors Grievance Committee

The Board of Directors of the Company has re-constituted the Shareholders /Investors Grievance Committee during the year. The Composition of the Committee is as follows:

Name	Title	Status
Mr. Anoj Menon	Chairman w.e.f. 25.05.2009	Independent
Mr. Tushar Dey	Member	Non-Executive Non-Independent
Mr. K.P. Chokhani	Member upto 25.05.2009	Non-Executive
Mr. Nidigallu Srikrishna	Member upto 25.05.2009	Non-Executive

The Company Secretary acts as the Secretary to the Committee.



The meetings of the Committee were held on 24th April, 2009, 24th July, 2009, 25th October, 2009 and 15th February, 2010. The attendance of the meeting was as follows:

Name	No. of Meetings held during the year	No. of meetings attended
Mr. Anoj Menon	4	3
Mr. Tushar Dey	4	4
Mr. K.P. Chokhani	4	1
Mr. Nidigallu Srikrishna	4	1

The Committee oversees redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. and recommends measures to improve the level of investor services.

The Company has authorised the Company Secretary, severally to approve the share transfers.

The Board has designated Ms. Jigna Parikh as the Compliance Officer of the Company. The total number of complaints received and replied to the satisfaction of the shareholders during the year under review was 16. Outstanding complaints as on 31st March, 2010, were NIL. No requests for transfer and for dematerialization were pending for approval as on 31st March, 2010.

III. General Body Meetings

Location and time of the last three Annual General Meetings were as follows:-

Year	Location	Date	Time
15th Annual General Meeting 2006-2007	Gopi Birla Memorial school, 68,Walkeshwar Road, Mumbai-400004	29th September, 2007	10.30 am
16th Annual General Meeting 2007-2008	Gopi Birla Memorial school, 68,Walkeshwar Road, Mumbai-400004	30th September, 2008	5.00 pm
17th Annual General Meeting 2008-2009	Indian Red Cross Society, 141 Shahid Bhagat Singh Road, Town Hall Compound, Mumbai GPO, Mumbai 400 001	26th September, 2009	3.00 pm

Special resolutions passed in the previous three Annual General Meetings:

No special resolutions were passed in the 16th Annual General Meeting held on 30th September, 2008 and the 17th Annual General Meeting held on 26th September, 2009. However, in the 15th Annual General Meeting held on 29th September, 2007, the following special resolutions were passed:

1. Change of name of the Company
2. Further issue of shares u/s 81 and 81(1A)
3. Alteration of Articles of Association of the Company subsequent to increase in Authorized share capital of the Company.

Special resolutions passed last year through postal ballot:

During the year, the following special resolutions were passed through postal ballot:

- (i) 15th July, 2009:

Sr. No.	Particulars	Percentage of votes cast in favour
a.	Alteration of Articles of Association of the Company-	99.99
b.	Delisting of shares from Ahmedabad Stock Exchange Limited	100



Sr. No.	Particulars	Percentage of votes cast in favour
c.	Delisting of shares from Calcutta Stock Exchange Limited	100
d.	Appointment of Mr. Nidigallu Srikrishna as Managing Director of the Company	99.99
e.	Further issue of shares u/s 81(1A) of the Companies Act, 1956	99.99

(ii) 13th August 2009:

Sr. No.	Particulars	Percentage of votes cast in favour
i.	Alteration/re-organising of the Objects of the Memorandum of Association of the Company	100
ii.	Commencement of new objects	100

(iii) 26th March, 2010:

Sr. No.	Particulars	Percentage of votes cast in favour
i.	Further issue of securities pursuant to Section 81(1) & 81(1A) of the Companies Act, 1956.	99.82

The Board of Directors had appointed Mr. Rakesh Kapur, Practicing Company Secretary as the scrutinizer for conducting the postal ballot process in a fair and transparent manner.

IV. CEO/CFO CERTIFICATION

The Board of Directors has received a certificate issued by Mr. Nidigallu Srikrishna, Managing Director and Mr. R. Sayee Srinivasan, General Manager-Finance in their capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO), respectively, of the Company as envisaged in Clause 49 (V) of the Listing Agreement.

V. DISCLOSURES

- i. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with related parties set out in the notes on accounts – Schedule '15' forming part of the annual report
- ii. There have been no instances of non-compliance by the Company on any matters relating to Capital Markets during the last three years and hence no penalties and strictures have been imposed on the Company by the Stock Exchanges or SEBI, or any statutory authority.

VI. MEANS OF COMMUNICATION

- i. Quarterly results

In compliance of the provisions of Clause 41 of the Listing Agreement, the un-audited and audited financial results, as approved by the Board, were duly published within the stipulated time period in "Free Press Journal" (English), and "Navshakti" (Vernacular). The results are also displayed on the Company's website: www.birlashloka.com

- ii. Management Discussion and Analysis report forms part of the Directors' Report which is posted to the shareholders of the Company.
- iii. The Company has designated the following email-id for redressal of investor grievances and the necessary disclosure to this effect has also been made on the Company's website www.birlashloka.com - complianceofficer@birlashloka.com

**VII. GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting

Date and Time : 27th September, 2010 at 3.00 pm
 Venue : Maharashtra Chamber of Commerce,
 Oricon House, 6th floor,
 12, K. Dubhash Marg,
 Fort, Mumbai 400 001

Financial Calendar 2010-11 (tentative):

First Quarterly Results : On or before 14th August 2010
 Second Quarterly Results : On or before 14th November 2010
 Third Quarterly Results : On or before 14th February 2011
 Fourth Quarterly Results : On or before 15th May 2011

Book closure date: 23rd September, 2010 to 27th September, 2010 (both days inclusive)

Listing of Equity Shares on:

- (i) The Bombay Stock Exchange,
 Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai – 400001
 Stock Code: 511607
- (ii) The Ahmedabad Stock Exchange
 Kamdhenu Complex,
 Opp. Sahajanand College,
 Panjrapole,
 Ahmedabad 380015
 Stock Code: 48921
- (iii) The Calcutta Stock Exchange,
 7, Lyons Range,
 Calcutta,
 West Bengal 700 001
 Stock Code: 028138

Annual listing fees were duly paid to the Stock Exchanges for the year 2010-11

Demat ISIN Numbers in NSDL & CDSL for Equity Shares: INE 013A01015

Stock Prices

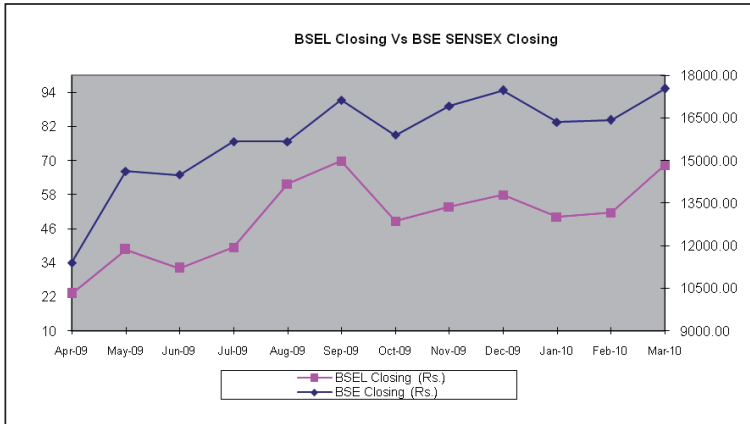
Monthly high and low of market prices of the Company's equity shares traded at Bombay Stock Exchange Limited during the year along with BSE Sensex:

Month	Birla Shloka Edutech Ltd (BSEL)		Bombay Stock Exchange, Sensex	
	BSEL High (Rs.)	BSEL Low (Rs.)	BSE High (Rs.)	BSE Low (Rs.)
April 2009	26.60	19.05	11492.10	9546.29
May 2009	38.55	21.85	14930.54	11621.30
June 2009	44.45	30.75	15600.30	14016.95
July 2009	39.40	28.75	15732.81	13219.99
August 2009	63.70	34.20	16002.46	14684.45
September 2009	90.30	61.00	17142.52	15356.72
October 2009	70.40	48.10	17493.17	15805.20



Month	Birla Shloka Edutech Ltd (BSEL)		Bombay Stock Exchange, Sensex	
	BSEL High (Rs.)	BSEL Low (Rs.)	BSE High (Rs.)	BSE Low (Rs.)
November 2009	66.75	46.75	17290.48	15330.56
December 2009	61.80	52.20	17530.94	16577.78
January 2010	60.45	45.60	17790.33	15982.08
February 2010	58.75	43.10	16669.25	15651.99
March 2010	75.70	50.00	17793.01	16438.45

Performance of Company's equity shares in comparison to BSE Sensex on the basis of closing prices:



Registrars & Transfer Agents:

M/s Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate

Sakivihar Road, Andheri(E)

Mumbai-400 072

Tel: 022-40430200

Fax: 022-28475207

Share Transfer System: Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders' Grievance Committee. A summary of transfer / transmission of securities of the Company so approved are placed before the Shareholders' Grievance Committee for noting. The Company obtains from a company secretary in practice half-yearly certificate for compliance with the share transfer formalities as required under Clause 47(C) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

**Distribution of Shareholding as on 31st March, 2010**

Shareholding range (in Rs.)	No. of shareholders	No. of shares held	As a % to total shares
1-5000	4503	873858	6.75
5001-10000	465	381954	2.95
10001-20000	219	355272	2.74
20001-30000	60	152699	1.18
30001-40000	30	108812	0.84
40001-50000	21	98970	0.76
50001-100000	51	374275	2.89
100001 and above	78	10607760	81.89
Total	5427	12953600	100

Shareholding pattern as on 31st March, 2010

Category	%
Promoters / PACs	33.96
Financial Institutions / Banks / Mutual Funds	0.02
FII's/NRI/OCBs	0.16
Bodies Corporate	32.58
Individual	31.93
Others	1.35
Total	100.00

Dematerialisation of Shares: Approximately 94.75 % of the Company's paid up equity shares have been dematerialized upto 31st March, 2010.

Address for Correspondence**Principal Offices:****Regd Office:**

Industry House
159, Churchgate Reclamation
Mumbai 400 020

Head Office:

Melstar House,
G-4, M.I.D.C Cross Road –A,
Andheri – East,
Mumbai – 400 093

Investor Correspondence:**For transfer/dematerialization of shares**

M/s Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate
Sakivihar Road, Andheri (E)
Mumbai 400 072
Tel: 022-40430200 Fax: 022-28475207

Investor correspondence may be addressed to the above address.



AUDITORS CERTIFICATE

We have reviewed the Company's procedure and compliance with the provisions of Clause 49 regarding corporate governance of the Listing Agreement, on the basis of our review and according to the information and explanation given to us and the representation made to us by the management, we state that to the best of our knowledge and belief, the Company has complied with the mandatory requirement of the provisions of corporate governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

For and on behalf of
L K M & CO.
Chartered Accountants

LAXMIKANT MALPANI
M. No. 106989
Proprietor
Place: Mumbai
Date: 27th May, 2010



AUDITORS' REPORT TO THE MEMBERS OF BIRLA SHLOKA EDUTECH LIMITED

We have audited the attached Balance Sheet of BIRLA SHLOKA EDUTECH LIMITED, as at 31st March, 2010, the Profit and Loss Account of the Company 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.

We concluded our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' report) Order 2003, as amended, 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 paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to 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 audit;
- (b) in our opinion proper books of accounts as required by the law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (d) in our opinion, the Balance Sheet, the Profit & Loss account & Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) on the basis of written representation received from the directors, as at 31 March 2010 and taken on record by Board of Directors, we report that none of the directors are disqualified as at 31 March 2010 from being appointed as a director in terms of Section 274(1)(g) of the Act and;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
L K M & CO.
Chartered Accountants

LAXMIKANT MALPANI
M. No. 106989
Proprietor

Place: Mumbai
Date: 27th May, 2010



ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in our report to the members of Birla Shloka Edutech Limited for the year ended 31 March 2010. We report that:

(i) Fixed Assets :

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) All the assets have not been verified by the management during the year but the Company has a regular programme of physical verification of its Fixed Assets, which in our opinion, is commensurate with the size and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verifications.
- c) There was no substantial disposal of Fixed Assets disposed during the year.

(ii) Inventories :

- a) The stock-in-trade have been physically verified during the year at reasonable intervals by the management.
- b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of the business.
- c) In our opinion, the Company has maintained proper records of inventories and no material discrepancies were noticed by management between their physical stock, as verified, and book records at the end of the year as stated by the management in their representation. On the basis of this representation the same has not been verified by us.

(iii) Loans and Advances :

- a) The Company has granted unsecured loans/advances to the companies or other parties covered in the register maintained under section 301 of the Act. The outstanding as on March 31, 2010 on account of Loans / Advances granted by the company to 10 parties amounting to Rs. 52,978,675.
- b) The company has taken unsecured loans/advances from the companies or other parties covered in the register maintained under section 301 of the Act. The outstanding as on March 31, 2010 on account of Loans / Advances taken by the company from 1 party amounts to Rs. 9,744,177.
- c) In our opinion, the rate of interest and other terms and conditions on which the loans are granted/taken, are not prejudicial to the interest of the Company.
- d) In case of loans granted/taken, the borrower has been regular in making the payment of interest as stipulated. The terms of arrangement do not stipulate the repayment schedule and is repayable on demand. Accordingly, paragraph 4(iii)(c) of the order is not applicable to the Company in respect of payment of principal amount.
- e) As per information and explanation given to us all the loans and advances granted are repayable on demand and there is no overdue amount of more than rupees one lakh in respect of loans granted to the body corporate listed in register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(d) of the order is not applicable.

(iv) Internal Control :

In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate to the size of the company and the nature of business for the purchase of inventory, fixed assets and for the sale of goods and services. Further on the basis our examination of the books and records of the company, and according to the information and explanations given to us, we have not observed any major weaknesses in the internal control system during the course of Audit. There is a scope for further strengthening the Internal Controls.

**(v) Transaction with Related parties as per Register of contract u/s 301 of the Companies Act, 1956 :**

- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices.

(vi) Deposits from Public :

The Company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the Order is not applicable.

(vii) Internal Audit Systems :

In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(viii) Cost Records :

The Central Government of India has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the sales made/ services rendered by the company. Accordingly, paragraph 4(viii) of the Order is not applicable.

(ix) Statutory Dues :

- a) According to the information and explanations given to us and the basis of our examination of the records of the Company, amount deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, and other statutory dues have generally been regularly paid/deposited during the year by the company with the appropriate authorities. A due towards Service Tax is pending to be paid for Rs. 3,671,406/-.
- b) According to the information & explanations given to us, there are no material dues of Sales Tax, Income Tax, Excise and Customs, Cess, which has not been paid/deposited on account of any dispute.

(x) Sick Industry :

The Company has not incurred any Cash Loss at the end of financial year covered under the Audit or in the immediately preceding financial year. Accordingly, paragraph 4(x) of the Order is not applicable.

(xi) Dues to Financial Institution :

Based on the information and the explanations given to us and the audit of books of accounts performed by us, we are of the opinion that Company has not defaulted in repayment of dues to the banks and financial institution.

(xii) Secured Loans and Advances Granted :

The Company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xiii) of the Order is not applicable.

(xiii) Chit fund, Nidhi or Mutual Fund :

In our opinion and according to the information and explanations given to us, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Accordingly, paragraph 4(xiii) of the Order is not applicable.

(xiv) Investment Company :

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investment. Accordingly, paragraph 4(xiv) of the Order is not applicable to the Company.

**(xv) Guarantees given by the Company :**

According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly, paragraph 4(xv) of the Order is not applicable to the Company.

(xvi) Term Loans :

Based on information & explanation given to us by the management Term Loan were applied for the purpose for which the loans were obtained.

(xvii) Source of Fund and its application :

According to the information and explanation given to us and overall examination of Balance Sheet of the Company, we report that no fund was raised on short term basis have been used for the long term investment. No long term fund has been used to finance short term assets except permanent working capital.

(xviii) Preferential Issue :

The Company has not made any preferential allotment of shares to the parties and the companies covered in the register maintained u/s 301 of Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order is not applicable to the Company.

(xix) Debentures :

The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.

(xx) Public Issue :

The Company came up with Follow on public issue in January 2010 and the shares were allotted as on 27th January, 2010. The fund raised were Rs. 347,750,000/- i.e. 6,955,000 Equity Shares of Rs. 10 each @ premium of Rs. 40/share there on. We would like to draw attention to Note no. 4 in Notes to Accounts (Schedule - 15) stating the utilization of funds which have been verified by us on the basis of the records produced before us.

(xxi) Fraud :

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
L K M & CO.
Chartered Accountants

LAXMIKANT MALPANI
M. No. 106989
Proprietor

Place: Mumbai
Date: 27th May, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010.**

Particulars	Sch. No.	31.03.2010 Rupees	31.03.2009 Rupees
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	129,536,000	59,986,000
Reserve and Surplus	2	309,372,688	12,822,773
		<u>438,908,688</u>	<u>72,808,773</u>
Loan Funds			
Secured Loans	3	30,008,362	7,869,505
Unsecured Loan	-	-	-
		30,008,362	7,869,505
Deferred Tax Liability (Net)	4	3,978,126	642,218
TOTAL		<u>472,895,176</u>	<u>81,320,496</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	218,678,300	92,374,399
Less: Accumulated Depreciation / Amortisation		46,286,255	25,743,833
Net Block		172,392,045	66,630,566
Add: Capital Work in Progress		5,412,520	7,056,514
		<u>177,804,565</u>	<u>73,687,080</u>
Current Assets, Loans & Advances			
Inventories		4,191,948	2,795,658
Sundry Debtors	6	476,281,835	204,839,437
Cash & Bank Balances	7	106,674,716	8,099,866
Loans, Advances & Other Current Assets	8	171,882,158	36,335,657
		759,030,657	252,070,618
Less : Current Liabilities & Provisions			
Current Liabilities	9	453,574,626	245,315,780
Provisions	10	10,365,420	1,451,695
		463,940,046	246,767,475
Net Current Assets		295,090,611	5,303,143
Miscellaneous Expenses	11	-	2,330,273
(To the extent not written off or adjusted)			
TOTAL		<u>472,895,176</u>	<u>81,320,496</u>
Notes on Accounts	15		

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

* As per our report of even date

L.K.M. & CO.

Chartered Accountants

Laxmikant Malpani

Proprietor

M. No. 106989

Place : Mumbai

Date : 27th May, 2010

By Order of the Board

Tushar Dey

Director

Mohandas Shenoy Adige

Director

N. Srikrishna

Managing Director

R. Sayee Srinivasan
General Manager – Finance

Jigna Parikh
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.**

Particulars	Sch. No.	31.03.2010 Rupees	31.03.2009 Rupees
INCOME			
Income from Operations		1,797,973,957	1,040,094,721
Other Income	12	2,050,891	69,381
Increase / (Decrease) in stock		1,396,292	101,400
TOTAL		1,801,421,140	1,040,265,502
EXPENDITURE			
Direct Expenses		1,701,700,749	1,014,475,578
Operative & Other Expenses	13	22,016,222	16,315,904
Financial Expenses	14	3,215,734	466,277
Depreciation	5	21,048,852	4,790,591
Preliminary Expenses W/off		-	258,921
TOTAL		1,747,981,557	1,036,307,271
Profit/(Loss) before taxation		53,439,583	3,958,230
Provision for Taxation			
Current Tax		9,082,057	314,360
Less: MAT Credit Entitlement		(9,082,057)	-
		-	314,360
Deferred Tax		3,335,908	498,397
Total Tax Expense		3,335,908	812,757
Profit/(Loss) after Taxation		50,103,675	3,145,473
Balance brought forward from Previous Year		6,422,772	-
Transfer from Amalgamation Reserve Account		-	3,277,299
Surplus Carried to Balance Sheet		56,526,447	6,422,772
Earnings per share			
Basic - Nominal Value of Shares Rs. 10		6.96	0.52
Notes on Accounts	15		

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

* As per our report of even date

L.K.M. & CO.
Chartered Accountants

By Order of the Board

Laxmikant Malpani
Proprietor
M. No. 106989

Tushar Dey
Director

Mohandas Shenoy Adige
Director

N. Srikrishna
Managing Director

Place : Mumbai
Date : 27th May, 2010

R. Sayee Srinivasan
General Manager – Finance

Jigna Parikh
Company Secretary

**SCHEDULES TO BALANCE SHEET AS ON 31ST MARCH, 2010.**

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
50,000,000 Equity Shares (Previous Year 30,000,000 Equity Shares) of Rs. 10/- each	500,000,000	300,000,000
ISSUED SUBSCRIBED & PAID UP		
12,953,600 Equity Shares (Previous Year 5,998,600 Equity Shares) of Rs. 10/- each fully paid up	129,536,000	59,986,000
Of the above:		
i. 2,200,000 equity shares of Rs. 10/- each were issued for consideration other than cash pursuant to scheme of amalgamation sanctioned by the honourable High Court of Mumbai vide its order dated 27th June, 2008		
ii. 6,955,000 equity shares of Rs. 10 each were issued at a premium of Rs. 40 per share by way of Follow on Public Offer in January, 2010.		
	129,536,000	59,986,000
SCHEDULE - 2		
RESERVES & SURPLUS		
Securities Premium at the beginning of the year	6,400,000	6,400,000
Add: Receipts on issue of 6,955,000 (Previous Year: Rs. Nil) Equity Share from FPO	278,200,000	-
Less: Issue Expenses pertaining to FPO (Refere Note: 3)	29,423,486	-
Less: Preliminary Expenses written off	2,330,273	-
Securities Premium at the end of the year	252,846,241	6,400,000
Profit & Loss Account	56,526,447	6,422,773
	309,372,688	12,822,773
SCHEDULE - 3		
SECURED LOANS		
Loans from Banks		
Term Loan / Over Draft	28,989,518	7,490,150
<i>Security:</i>		
i. <i>Equitable Mortgage of Office Premises</i>		
ii. <i>Hypothecation of Book Debts</i>		
Loans from Others		
Vehicle Finance	1,018,844	379,355
(Amount repayable within one year Rs. 369,437 (Previous Year Rs. 185,914))		
<i>Security - First charge on the Vehicles financed</i>		
	30,008,362	7,869,505
SCHEDULE - 4		
DEFERRED TAX		
Deferred Tax Liability		
Difference in depreciation and other differences in block of assets as per tax books and financial books	15,915,589	554,212
Effect of Preliminary Expenditure debited to Profit and Loss Account in the Current Year but allowed for tax purposes in following years	-	88,006
Gross Deferred Tax Liability	15,915,589	642,218
Deferred Tax Asset		
Unabsorbed Depreciation	3,408,589	-
Effect of Preliminary Expenses adjusted against Securities Premium	8,528,873	-
Gross Deferred Tax Asset	11,937,462	-
Net Deferred Tax Liability	3,978,126	642,218



Schedule 5
FIXED ASSETS

(in Rs.)

Description of Asset	Gross Block			Depreciation			Net Block	
	As on 31.03.2009	Additions	Deductions	As on 31.03.2010	For the Year	Deductions	As on 31.03.2010	As on 31.03.2009
A								
TANGIBLE ASSETS								
Office Building	42,429,503	-	-	42,429,503	1,794,460	-	8,334,772	34,094,731
Shop Building	5,669,000	-	-	5,669,000	401,948	-	2,051,472	4,019,476
Computer Systems	15,063,509	1,150,586	32,000	16,182,095	1,585,148	3,542	13,220,324	3,424,791
Furniture & Fixtures	2,070,188	13,388	-	2,083,576	213,787	-	1,112,919	1,171,056
Office Equipments	2,454,134	579,189	92,296	2,941,027	247,039	2,525	1,203,857	1,494,791
Vehicles	1,369,662	1,104,724	817,450	1,656,936	288,552	500,361	291,717	866,136
Total (A)	69,055,996	2,847,887	941,746	70,962,137	4,530,933	506,428	26,215,062	44,747,075
B								
INTANGIBLE ASSETS								
Computer Software (Content)	18,419,980	7,056,514	-	25,476,494	930,047	-	3,035,851	22,440,643
Computer Software (Other)	1,517,549	117,341,245	-	118,858,794	15,587,872	-	17,035,344	101,823,450
Goodwill	3,380,874	-	-	3,380,874	-	-	-	3,380,874
Total (B)	23,318,403	124,397,759	-	147,716,162	16,517,918	-	20,071,194	127,644,968
Total (A+B)	92,374,399	127,245,646	941,746	218,678,299	21,048,852	506,428	46,286,256	66,630,567
Capital WIP	7,066,514	5,412,520	7,056,514	5,412,520	-	-	-	5,412,520
								7,066,514



Particulars	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE - 6		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	68,599,819	68,084,907
Other debts		
Unsecured, considered good	407,682,016	136,754,530
	<u>476,281,835</u>	<u>204,839,437</u>
SCHEDULE - 7		
CASH & CASH EQUIVALENTS		
Cash in Hand	28,187	41,066
Bank Balance		
In Current Account	79,099,714	8,058,800
In Fixed Deposit Account	25,000,000	-
Cheques in Hand	2,546,815	-
	<u>106,674,716</u>	<u>8,099,866</u>
SCHEDULE - 8		
LOANS, ADVANCES & OTHER CURRENT ASSETS		
Unsecured-considered good		
Advances recoverable in cash or in kind or for value to be received	94,543,925	14,450,789
Deposits	2,140,452	3,376,413
Owed from Group Companies	52,978,675	5,210,289
Mat Entitlement	9,082,057	-
Advance Payment of Taxes	5,087,166	4,826,763
(Net of Provision for Tax - Rs. 32,040 (Previous Year Rs. 32,040)		
Other Current Assets	8,049,883	8,471,403
	<u>171,882,158</u>	<u>36,335,657</u>
SCHEDULE - 9		
CURRENT LIABILITIES		
Sundry Creditors	434,546,078	175,744,042
Advances Received from Customers	6,348,805	-
Other Advances	410,000	-
Owed to Group Companies	9,744,177	65,020,733
Other Liabilities	2,525,566	4,551,005
	<u>453,574,626</u>	<u>245,315,780</u>
SCHEDULE - 10		
PROVISIONS		
Provisions for Expenses	989,654	787,335
Provision for Tax	9,375,766	664,360
	<u>10,365,420</u>	<u>1,451,695</u>
SCHEDULE - 11		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses		
As per last balance sheet	2,330,273	945,027
Add: Incurred during the year	-	1,644,167
Less: Adjusted against Securities Premium	2,330,273	258,921
	<u>-</u>	<u>2,330,273</u>

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2010.**

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 12		
OTHER INCOME		
Interest on Corporate Advances	659,527	-
Profit on sale of Assets	17,001	8,152
Miscellaneous Income	1,374,363	61,229
	<u>2,050,891</u>	<u>69,381</u>
SCHEDULE 13		
ADMINISTRATIVE & OTHER EXPENSES		
Personnel Expenses		
Salaries, Staff Remuneration and Bonus	8,529,504	7,481,656
Contribution to Provident and Other Fund	507,071	797,040
Staff Welfare	245,229	363,695
Gratuity	425,069	24,525
Business promotion	69,250	342,927
Charity & Donations	1,510,000	-
Communication Expenses	329,312	329,033
Commission & Brokerage	94,453	74,834
Electricity Expenses	1,073,895	595,131
Legal & Professional Fees	2,603,543	2,066,748
Rates & Taxes	1,031,982	335,003
Rent	1,610,458	135,400
Repairs & Maintenance	395,513	253,902
Traveling & Conveyance	1,215,280	2,442,299
Miscellaneous Expenses	2,162,663	973,712
Audit Fee	213,000	100,000
	<u>22,016,222</u>	<u>16,315,904</u>
SCHEDULE 14		
FINANCE EXPENSES		
Interest	2,797,106	110,152
Bank charges	418,628	356,125
	<u>3,215,734</u>	<u>466,277</u>

**SCHEDULE 15 - NOTES TO ACCOUNTS****1. Nature of Operations:**

Birla Shloka Edutech Limited is engaged in the business of providing IT and IT enabled solutions to schools and institutions under the ICT projects.

2. Significant Accounting Policies**a. Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b. Use of Estimates

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

c. Fixed Assets

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

d. Depreciation

Depreciation is provided using the Written Down Value Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, at the following rates:

Asset Group	Rates (WDV)
Office Building	5.00%
Shop Building	10.00%
Computer Systems	40.00%
Computer Software	60.00%
Computer Software (Content)	10.00%
Furniture & Fixtures	18.10%
Electrical Fittings	13.91%
Office Equipments	13.91%
Motor Vehicles	25.89%

e. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

f. Inventories

Inventories are valued at lower of cost or net realizable value. Cost includes the cost of procuring the goods and is computed on First In First Out (FIFO) basis.

**g. Intangible Assets****Goodwill**

The Company assesses at each balance sheet date whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the difference if any is charged to the Profit and Loss Account.

Content

The Company is engaged in development of educational software content pertaining modules on various subjects based on the curriculum of various Boards, costs of which is capitalized. The company amortises the cost of such content on Written Down Value Method at the rate of 10%. Management regularly reviews and revises, where necessary, its total estimates which may result in a change in the rate of amortisation and/or a write down of the intangible asset to fair value.

h. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account.

i. Revenue Recognition**Revenue from Operations**

The company derives its revenue from either supply or on installation of educational content and services, content licensing, sale of content and technology products. The revenue from sale of educational content and technology products is recognized upon dispatch / delivery to the customer. Revenue from ICT BOOT model is recognized over the period of the contract. Revenue from Licensing of content is recognized when the knowledge based content is delivered and accepted.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

j. Borrowing Costs

Borrowing cost relating to acquisition of Fixed Assets which takes substantial period of time to get ready for intended use are capitalized as a part of the cost of such assets. All other Borrowing Costs are charged to revenue.

k. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.



At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises un-recognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

i. Segment reporting

The company is functioning in only one segment; i.e. Infotech hence, Segment Reporting required under AS 17 is not applicable.

m. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

n. Provisions & Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

o. Miscellaneous Expenditure

Costs incurred in connection with raising capital and borrowings are adjusted against the Securities Premium account.

p. Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short term investments with original maturity of three months or less and fixed deposits with banks.

3. Change in accounting policy

During the year, the Company changed its accounting policy on treatment of Miscellaneous Expenditure. The Company now adjusts the same against securities premium account instead of charging the same to the profit and loss account over a period of ten years. The Company has adjusted Rs. 2,330,273 and Rs.29,423,486 being the amount of Preliminary and Pre-operative Expenses and Share Issue Expenses respectively, against the securities premium.

Had the Company continued to use the earlier basis of amortization of Miscellaneous Expenditure, the charge to the Profit and Loss Account for the current period would have been higher by Rs.3,201,270.

4. The company has allotted 6,955,000 equity shares on January 27, 2010, pursuant to the follow on public offer. The shares have been listed with Bombay Stock Exchange, Calcutta Stock Exchange and Ahmedabad Stock Exchange.



The details of the funds received towards such issue and allotment including Share Premium thereon and utilisation of such funds are given below:

(Rs. In Lakhs)

S r . No.	Particulars	Projection in Prospectus	Actual Funds Utilised till March 31, 2010
1	Capital Expenditure for BOOT Model	1,500.00	100.00
2	Capital Expenditure for XL@ School	950.00	1,083.62
3	Mergers & Acquisition Activity	450.00	-
4	Working Capital Requirement	213.10	215.76
5	Issue Expenses	303.15	272.14
6	Contingencies	61.25	25.87
	Total	3,477.50	1,697.39

As per the prospectus, the funds which were proposed to be deployed upto the period March, 2010 were envisaged as Rs. 1,194.08 Lakhs. However the actual amount spent was Rs. 1697.39 lakhs.

Un-utilised FPO Proceeds of Rs. 1,780.11 Lakhs have been temporarily held in High Quality Short Term Interest bearing liquid instruments including deposits with bank.

5. According to the records of the company, undisputed statutory dues including provident fund, service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities, excepting a service tax of Rs. 3,671,406 which is due.
6. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under this Act have not been given.

7. Related party disclosures

a. List of Parties:

i) Key Management Personnel

Mr. Yashovardhan Birla – Chairman

Mr. Nidigallu Srikrishna – Managing Director

ii) Enterprises owned or significantly influenced by key management personnel or their relatives

- i. Birla Edutech Ltd
- ii. Birla Electrical Ltd.
- iii. Birla Global Corporate Ltd
- iv. Birla Infrastructure Pvt Ltd
- v. Birla Power Solutions Ltd.
- vi. Birla Precision Technologies Ltd
- vii. Birla Surya Ltd
- viii. Birla Transasia Carpets Ltd
- ix. Birla Viking Travels Pvt. Ltd
- x. Dagger Forst Tools Ltd.
- xi. Godavari Corporation Pvt. Ltd.
- xii. Melstar Information Technologies Ltd
- xiii. Nirved Traders Pvt. Ltd
- xiv. Scimitar Investment & Trading Co Pvt. Ltd
- xv. Shearson Investments & Trading Co Pvt Ltd
- xvi. Zenith Birla (India) Ltd

**b. Particulars of Related Party Transactions**

(in Rs.)

	Particulars	Transactions during the Year
Key Management Personnel	Salary	2,500,000
Enterprises owned or significantly influenced by key management personnel or their relatives	Sale of HW	404,623
	Rent Received	421,375
	Interest Receivable	593,574
	Reimbursement of Expenses from Group Companies	15,315
	Reimbursement of expenses to Group Companies	(108,439)
	Rent Paid	(1,814,663)
	Loan & Advances given	86,128,956
	Loan & Advances taken	(100,646)

c. Balance Outstanding at the Year end

(in Rs.)

Company	March 31, 2010	March 31, 2009
Birla Edutech Ltd	4,162,879	-
Birla Electrical Ltd.	(1,691)	(1,691)
Birla Global Corporate Ltd	2,227,919	2,271,669
Birla Infrastructure Pvt Ltd	(9,744,177)	(9,744,177)
Birla Power Solutions Ltd.	13,014,360	6,196,185
Birla Precision Technologies Ltd.	(364,346)	(364,346)
Birla Surya Ltd	32,665	-
Birla Transasia Carpets Ltd.	1,564,458	1,564,458
Birla Viking Travels Pvt Ltd.	32,234	76,017
Dagger Forst Tools Ltd.	(133,986)	(133,986)
Godavari Corporation Pvt Ltd	7,623,016	(13,512,172)
Melstar Information Technologies Ltd	(42,932)	(70,493)
Nirved Traders Pvt Ltd	16,771,726	(393,025)
Scimitar Investments & Trading Co Pvt Ltd	(4,743)	(4,743)
Shearson Investments & Trading Co Pvt Ltd	12,120,750	(25,490,000)
Zenith Birla (India) Ltd	5,151,761	5,151,761



8. There are no contingent liabilities.

9. **Earnings per share (EPS)**

Particulars	2010 (Rs.)	2009 (Rs.)
Net profit as per profit and loss account including exceptional items for calculation of basic EPS	50,104,996	3,145,473
Weighted average number of equity shares in calculating basic EPS	7,199,052	5,998,600
Basic EPS	6.96	0.52

10. **Gratuity and other post employment benefit plans**

a. **Define benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Company did not make any provision in respect of the gratuity benefit in previous year as amount was not material. In current year, the Company has adopted Accounting Standard 15 (Revised 2005) which is mandatory from accounting periods starting from April 1, 2007. However, this adoption does not have a material impact on the profit and loss account. Hence, the entire charge of Rs. 425,069 has been debited to the Profit & Loss account for the year and accordingly amounts for the previous year have not been furnished.

The following table summarises the components of the net benefit expense recognized in the Profit & Loss Account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit & Loss Account

Net Employee benefit (expense recognized in Employee Cost)

In Rupees

	March 31, 2010
Current Service Cost	89,989
Interest Cost on Benefit Obligation	24,691
Expected return on Planned Assets	-
Net actuarial (Gain) / Loss	81,785
Past Service Cost	228,604
Net benefit expense	425,069

Actual Return on Plan Assets

NA

Balance sheet

Details of Provision for gratuity

In Rupees

	March 31, 2010
Defined Benefit Obligation	425,069
Fair value of Planned Assets	-
Amount recognised in the balance sheet	425,069

**Changes in the present value of the defined benefit obligation are as follows:**

In Rupees

	March 31, 2010
Opening defined benefit obligation	228,604
Interest Cost	24,691
Current Service Cost	89,989
Benefits paid	-
Actuarial (Gains) / Losses on obligation	81,785
Closing defined benefit obligation	425,069

Changes in the fair value of plan assets are as follows:

The company does not fund the gratuity nor it has plans presently to contribute in the next year and hence the disclosure relating to fair value of plan assets is not applicable.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2010
Future Salary Rise	6%
Rate of Discounting	8%
Attrition Rate	2%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Defined Contributing Plan

Amount recognized as an expense and included in Schedule – 13 as Contribution to Provident and Other Funds Rs. 507,071 (Previous Year Rs. 797,040)

11. Managerial remuneration under section 198 of the Companies Act, 1956 for the Managing Director was Rs. 2,500,000 (Previous Year Rs. Nil).

Directors' Remuneration

Particulars	March 31, 2010 Rs.	March 31, 2009 Rs.
Salaries	2,500,000	-
Perquisites	-	-
Contribution to Provident Fund	-	-
TOTAL	2,500,000	-

**Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of Commission payable to directors**

Particulars	March 31, 2010 Rs.	March 31, 2009 Rs.
Profit as per Profit and Loss Account	53,439,583	3,958,230
Add:		
Directors' Remuneration	2,500,000	-
Provision for doubtful debts and advances	521,500	-
Less:		
Profit on sale of Fixed Assets (net) as per Profit and Loss account	17,001	-
Net Profit as per Section 349 of the Companies Act, 1956	56,444,082	3,958,230
Commission to Managing and Whole time directors at 5% of the net profits as calculated above	2,822,204	197,912
Remuneration Paid to Directors	2,500,000	-

12. Auditors fees includes:

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Statutory Audit Fees	100,000	80,000
Tax Audit	30,000	15,000
VAT Audit	15,000	5,000
Special Purpose Audit	68,000	-
Total	213,000	100,000

13. Earnings in foreign exchange – On receipt basis: Rs. Nil (Previous Year: Rs. Nil)
14. Expenditure in Foreign Currency – On payment basis: Rs. Nil (Previous Year: Rs. Nil)
15. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

L.K.M. & CO.
Chartered Accountants

Laxmikant Malpani
Proprietor
M. No. 106989

Place : Mumbai
Date : 27th May, 2010

By Order of the Board

Tushar Dey
Director

Mohandas Shenoy Adige
Director

N. Srikrishna
Managing Director

R. Sayee Srinivasan
General Manager – Finance

Jigna Parikh
Company Secretary

**Balance Sheet Abstract and Company's General Business Profile****1. Registration Details**

Registration No.	: 66910	State Code	: 11
Balance Sheet Date	: 31st March, 2010		

2. Capital Raised during the year (Rs.in Lacs)

Public Issue	: 695.50	Rights Issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil

3. Position of Mobilisation and Deployment of Funds (Rs.in Lacs)

Total Liabilities	: 4,728.95	Total Assets	: 4,728.95
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Sources Of funds

Paid up Capital	: 1,295.36	Secured Loans	: 300.08
Reserves and Surplus	: 3,093.73	Unsecured Loans	: Nil
Deferred Tax Liability	: 39.78		

Application of Funds

Net Fixed Assets	: 1,778.05	Investments	: Nil
Net Current Assets	: 2,950.91	Miscellaneous Expenditure	: Nil
Accumulated Losses	: Nil		

4. Performance of the Company (Rs. in Lacs)

Turnover	: 17,979.74	Total Expenditure	: 17,479.82
Profit Before Tax	: 534.39	Profit After Tax	: 501.03
Earning Per Share (Annualised)	: Rs.6.96	Dividend Rate	: Nil

5. Generic Names of Principal Products of the Company

Item Code No.	: N. A.
Product / Description	: Computer Software and Maintanace

L.K.M. & CO.

Chartered Accountants

Laxmikant MalpaniProprietor
M. No. 106989

Place : Mumbai

Date : 27th May, 2010

By Order of the Board**Tushar Dey**

Director

Mohandas Shenoy Adige

Director

N. Srikrishna

Managing Director

R. Sayee Srinivasan

General Manager – Finance

Jigna Parikh

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010.**

Particulars	31.03.2010 Rupees	31.03.2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per profit and loss account	53,439,583	3,958,231
Adjusted for :		
Depreciation	21,048,852	4,790,591
Profit on sale of assets (net)	(17,001)	(8,152)
Preliminary/Misc Expenses written off	-	258,921
Operating Profit Before Working Capital Changes	74,471,434	8,999,591
Adjusted for :		
Trade & other receivable	(271,442,402)	(95,023,129)
Inventories	(1,396,290)	(101,400)
Trade Payables	217,172,572	117,650,321
Net Cash From Operating Activities	18,805,314	31,525,383
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(125,601,652)	(5,756,427)
Preliminary / Misc. Expenses capitalised	2,330,273	(1,644,167)
Sale of Fixed Assets	452,319	565,000
Net Cash from Investing Activities	(122,819,060)	(6,835,594)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans (Net)	—	—
Proceeds from borrowings from banks (Net)	22,138,857	358,521
Movement in Loans & Advances	(135,546,501)	(18,330,781)
Proceeds from Issue of Share Capital	315,996,241	—
Net Cash from Financing Activities	202,588,597	(17,972,260)
Net Increase in Cash & Cash Equivalents (A + B + C)	98,574,850	6,717,528
Cash & Cash Equivalents As at beginning of year	8,099,866	1,382,338
Cash & Cash Equivalents As at end of the year	106,674,716	8,099,866

L.K.M. & CO.
Chartered Accountants

By Order of the Board

Laxmikant Malpani
Proprietor
M. No. 106989

Tushar Dey
Director

Mohandas Shenoy Adige
Director

N. Srikrishna
Managing Director

Place : Mumbai
Date : 27th May, 2010

R. Sayee Srinivasan
General Manager – Finance

Jigna Parikh
Company Secretary



BIRLA SHLOKA EDUTECH LTD

BIRLA SHLOKA EDUTECH LIMITED

Regd Office: Industry House, 159 Churchgate Reclamation, Mumbai 400 020

ATTENDANCE SLIP ANNUAL GENERAL MEETING

DP ID No. _____

Folio No. _____

Client ID No. _____

Name and Address of Shareholder _____

No. of Shares held _____

I hereby record my presence at the Eighteenth Annual General Meeting of the Company held on Monday 27th September, 2010 at 3.00 pm at Maharashtra Chamber of Commerce, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001.

Signature of Shareholder/Proxy

..... (Tear Here)

BIRLA SHLOKA EDUTECH LIMITED

Regd Office: Industry House, 159 Churchgate Reclamation, Mumbai 400 020

PROXY FORM

I/We _____ being a member/s of Birla Shloka Edutech Limited hereby appoint _____ of _____ or failing him _____ as my/our proxy to attend and vote on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Monday 27th September, 2010 at 3.00 pm.

For Office Use only

Proxy No.
Ledger Folio No.
No. of shares

Signature _____

Affix
Re.1/-
Revenue
Stamp

NOTE: This form, in order to be effective, should be duly stamped, completed, signed and must be deposited with the Company's Registered Office, not less than 48 hours before the Meeting.

Book-Post

If undelivered please return to:

Birla Shloka Edutech Limited
Industry House,
159, Churchgate Reclamation,
Mumbai - 400 020.