

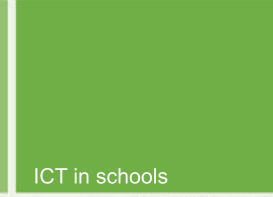


THE YASH BIRLA GROUP

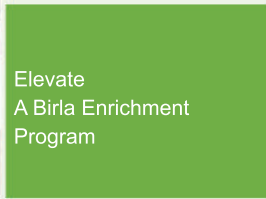
ICT- Educational Services
for K-12 School



XL@School
INTERACTIVE MULTIMEDIA LEARNING SYSTEM



ICT in schools



Elevate
A Birla Enrichment
Program



Globe Tot'ers
A Birla Preschool



BIRLA SHLOKA EDUTECH LTD.

(A Yash Birla Group Company)

2011 - 2012

20TH ANNUAL REPORT



THE YASH BIRLA GROUP



BIRLA SHLOKA EDUTECH LTD.
(A Yash Birla Group Company)

B^{*}
Birla
EDUTECH



XL@School
INTERACTIVE MULTIMEDIA LEARNING SYSTEM

*: Trademark(s) are owned by Subsidiary Company i.e. Birla Edutech Limited

#: Trademark is owned by LG & DE Limited, English Learning Group Private Limited has got the exclusive right to use this Trademark in India.

**BOARD OF DIRECTORS**

- | | |
|------------------------------|--------------------|
| 1. Mr. Yashovardhan Birla | Chairman |
| 2. Mr. Nidigallu Srikrishna | Executive Director |
| 3. Mr. Mohandas Shenoy Adige | Director |
| 4. Mr. Anoj Menon | Director |
| 5. Mr. Tushar Dey | Director |

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Vijay Mishra

AUDITORS:

M/s LKM & Co
Chartered Accountants
Mumbai

BANKERS:

The Catholic Syrian Bank Ltd.

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
Ph- 022-3306 7777 / 9167255027 / 29 / 30

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
Ph: 022-40430200
Fax: 022-28475207

Contents	Page No.
Notice	2
Directors' Report	7
Corporate Governance Report	14
Auditor's Report	21
Balance sheet	25
Profit & Loss Account	26
Cash Flow Statement	27
Notes to Accounts	28
Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company	42
Consolidated Auditor's Report	43
Consolidated Balance sheet	44
Consolidated Profit & Loss Account	45
Consolidated Cash Flow Statement	46
Consolidated Notes to Accounts	47



NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Birla Shloka Edutech Limited will be held on Thursday, 20th September, 2012 at 3.30 pm at Hall of Culture, Discovery of India Building, Nehru Center, Dr. Annie Besant road, Worli, Mumbai 400 018 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012 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. Anoj Menon 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 LKM. 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 Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors".

4. SPECIAL BUSINESS:

TO CONSIDER AND APPROVE VARIATION IN UTILISATION OF FOLLOW ON PUBLIC OFFER PROCEEDS AS STATED IN PROSPECTUS DATED 20th JANUARY 2010

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

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, approval of the members of the Company be and is hereby granted and the Board of Directors of the Company (hereinafter called the **Board** which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to vary the terms referred to in the Company's Prospectus dated 20th January 2010 including to vary and / or revise the utilization of the proceeds of the issue of equity shares made in pursuance of the said Prospectus, for purposes other than those mentioned in the Prospectus, namely for Capital Expenditure for Turnkey projects executed by the Company under the BOOT Model and on upgradation of Infrastructure and content development for XL@school, Funding the proposed M&A activities, to meet the working Capital requirements and meeting the public issue expenses.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, and things, deal with such matters take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board or such Officer(s) / Authorised Representative(s) as may be authorised by the Board be and are hereby authorized to file the necessary applications, documents *inter alia*, with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto."

5. RE-APPOINTMENT OF SHRI NIDIGALLU SRIKRISHNA- EXECUTIVE DIRECTOR OF THE COMPANY FOR FURTHER PERIOD OF 3 YEARS

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

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309, 316 and all other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII as amended from time to time (the "Act") approval be and is hereby granted to the re-appointment of Shri Nidigallu Srikrishna as Whole Time Director designated as Executive Director of the Company for further period of 3 years with effect from 1st June 2012 on salary, allowances and perquisites as under, with liberty to Board of Directors to alter and vary the terms and conditions of the said appointment and/or the agreement, as may be agreed to between the Directors and Shri N. Srikrishna.

I. SALARY/ PERQUISITES/BENEFITS/ALLOWANCE

- i. Shri N. Srikrishna shall be entitled to a salary, perquisites, allowances & benefits not exceeding Rs. 60 lacs per annum.



- ii. Perquisites, benefits and allowance includes House Rent Allowance, Education Allowance, Servant Allowance, Flexible Allowance, Re-imbursment of Newspaper/Magazines/Journals Expenses, Medi-claim insurance premium Re-imbursment for self & Family, Medical allowance, Leave Travel Concession for self & family 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.
- iii. Shri N. Srikrishna shall also be entitled to Company's contribution to Provident Fund, Encashment of Leave at the end of his tenure as Executive Director, as per the policies/ rules of the Company and the same shall not be included for the purposes of computation of perquisites.
- iv. Shri N. Srikrishna shall also be entitled to Gratuity at the rate of one month's salary for each completed year of service.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Shri Nidigallu Srikrishna (including the minimum remuneration) in accordance with under and/ or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/ or announced by the Central Government from time to time.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri N. Srikrishna shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII of the Companies Act, 1956."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps and to do all other acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution."

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

Sd/-
Vijay Mishra
VP (Finance) & Company Secretary

Date: 10/08/2012
Place: Mumbai

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 relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business under Item No. 4 and 5 is annexed hereto.
3. The register of Members and Share Transfer Books will remain closed from 17th September, 2012 to 20th September, 2012 (both days inclusive).
4. 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.
5. 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.
6. 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 2012, to enable us to keep the information ready.
7. Members/Proxies are requested to bring the Annual report and attendance slip duly filled in.

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

Sd/-
Vijay Mishra
VP (Finance) & Company Secretary

Date: 10/08/2012
Place: Mumbai

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.****Item No: 4**

The members pursuant to a postal ballot process had approved a follow on public issue on 15th July 2009. Accordingly, in the year 2010, the Company through a follow on public issue-Prospectus dated 20th January 2010 for issue of 69,55,000 equity shares of face value of Rs. 10 each at a premium of Rs. 40 per share raised an amount of Rs. 3477.50. In the Prospectus under the section titled "*Objects of the Issue*" on page no. 32 of the Prospectus, the Company had disclosed the fund requirements and means of finance, including the following details on page no. 32 of the Prospectus as regards the funds to be deployed.

(Rs. In lacs)

Sr. No.	Particulars	Total Amount to be deployed as per Prospectus
I	Capital Expenditure for BOOT Model	1,500.00
II	Capital Expenditure for XL@ School	950.00
III	Mergers & Acquisition Activity	450.00
IV	Working Capital Requirement	213.10
V	Issue Expenses	303.15
VI	Contingencies	61.25
	Total	3,477.50

The actual amount spent was Rs. 3473.46 Lakhs. Un-utilised FPO of Rs. 4.04 Lacs are in current account with the bank.

(Rs. In lacs)

Sr. No.	Particulars	Total Amount to be deployed as per Prospectus	Actual Funds Utilised as on March 31, 2012
I	Capital Expenditure for BOOT Model	1,500.00	1,571.99
II	Capital Expenditure for XL@ School	950.00	1,158.62
III	Mergers & Acquisition Activity	450.00	-
IV	Working Capital Requirement	213.10	398.83
V	Issue Expenses	303.15	303.15
VI	Contingencies	61.25	40.87
	Total	3,477.50	3,473.46

Unutilised amount of FPO of Rs. 4.04 lacs is proposed to be utilised by the Company for meeting its Working Capital requirements.

The Company has not utilised the Funds that were to be deployed in Mergers and Acquisition Activities, due to non availability of suitable M & A opportunities. Further, the Funds which were originally envisaged to be deployed in M & A activities were utilised in Capital Expenditure for BOOT Model, Capital Expenditure for XL@ School and also to meet the working Capital needs of the Company.

Pursuant to the provisions of section 61 of the Companies Act, 1956, a Company cannot vary the terms referred to in the Prospectus except, subject to approval of or, except on authority given by the Company in a general meeting. Accordingly, it is considered appropriate to seek approval of the members to confer authority in favour of the Board for utilisation of the unutilised portion of the public issue proceeds for purposes other than those mentioned in the Prospectus dated 20th January 2010. Accordingly, approval of the members is sought to the ordinary resolution, as more particularly stated in the resolution as set out at item no. 4 of the accompanying notice.

The Board of Directors accordingly recommends the resolution set out as item no. 4 of the accompanying notice for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding.

Item No: 5

Shri N. Srikrishna was appointed as Director of the Company w.e.f. 3rd July, 2008. Later on by a board resolution passed at meeting held on 1st June, 2009, he was appointed as Managing Director of the Company for a period from 1st June, 2009 to 31st May, 2012.

Accordingly his present term as Managing Director has expired on 31st May, 2012.



Subject to the approval of the shareholders of the Company and any other regulatory authorities, as may be required, the Remuneration Committee and the Board of Directors of the Company in their meeting held on 10th August 2012 have re-appointed Shri N. Srikrishna as Whole Time Director designated as Executive Director of the Company for a period of 3 years w.e.f. 1st June, 2012.

Shri N. Srikrishna, aged 44 years is a B.E. (Engg) from SMVIT (Sir M Visvesvaraya Institute of Technology), Bangalore University. He has 20 years of experience in the field of Infrastructure / Real Estate, Information Technology, Media / Entertainment and Education. Mr. Srikrishna has successfully commissioned projects for prestigious organizations such as CDAC (Centre for Development of Advanced Computing - Ministry of Communications & Information Technology), Anna University, Gemini Group to name a few. He has wide exposure & experience of setting up & running businesses across the Globe.

The re-appointment of Shri N. Srikrishna as mentioned above is subject to the approval of shareholders of the Company and any other regulatory authorities, as may be required. Accordingly, the Board recommends the resolution set out at Item No. 5 of the Notice for approval of the members.

None of the Director of the Company, except Shri N. Srikrishna, is in any way concerned or interested in this resolution.

INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION

1) Nature of Industry :

The Company is engaged in providing IT Services and sale of IT products and has a curriculum based educational software programme.

2) Date or expected date of commencement of commercial production :

The Company was incorporated on 25th May, 1992.

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 given indicators:

(Rs. in Lacs)

Financial Year ended	2011-12	2010-11	2009-10
Net Sales	22285.98	18560.25	17979.74
Total Income	22392.09	18707.49	18014.21
Total Expenditure	21757.94	18135.24	17479.82
Profit before Tax	634.14	572.25	534.40
Profit after Tax (after prior period adjustments)	425.87	455.50	501.04

5) Export performance and net foreign exchange collaborations, if any:

(Rs. in lacs)

Financial Year ended	2011-12	2010-11	2009-10
Foreign Exchange Earnings	--	8.94	--

6) Foreign Investments or collaborators, if any:

The Company has the following two subsidiaries:

- 1) Birla Shloka Edutech Limited-FZE and
- 2) Birla Edutech Limited

II. INFORMATION ABOUT THE APPOINTEE

1) Background details:

Shri N. Srikrishna, aged 44 years is a B.E. (Engg) from SMVIT (Sir M Visvesvaraya Institute of Technology), Bangalore University. He has 20 years of experience in the field of Infrastructure / Real Estate, Information Technology, Media / Entertainment and Education. Mr. Srikrishna has successfully commissioned projects for prestigious organizations such as CDAC (Centre for Development of Advanced Computing - Ministry of Communications & Information Technology), Anna University, Gemini Group to name a few. He has wide exposure & experience of setting up & running businesses across the Globe.



2) Past Remuneration :

For the year 2011-12	(Amount in INR)
Salary	32,24,582
Contribution to Provident Fund	Nil
Provision for Gratuity	Nil
Perquisites and Allowance	Nil
Total	32,24,582

3) Job Profile and his suitability:

The Executive Director is entrusted with substantial powers of management in respect of the whole of the affairs of the Company subject to the superintendence, control and direction of the Board of Directors. 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.

With the increasing demand for education in India and across the globe, Shri N. Srikrishna's in-depth knowledge of Company's product line would be very valuable for the Company. With sufficient past experience in successfully managing the affairs of the Company, Shri N. Srikrishna is best suited for the position of Executive Director.

4) Remuneration Proposed:

As per the details contained in the Notice of the Annual General Meeting.

5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :

The executive remuneration in the industry has increased manifold in the past few years. Having regard to the type of industry, trends in industry, size of the Company, the responsibilities, academic background and capabilities of Shri N. Srikrishna, the proposed remuneration is well within the remuneration payable to Directorial personnel holding similar stature/position in the Industry.

6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :

Shri N. Srikrishna has no pecuniary relationship with the Company, other than his remuneration as Managing Director of the Company. There are no managerial personnel related to Shri N. Srikrishna.

III. OTHER INFORMATION

1) Reasons for loss or inadequate profit

During the financial year 2011-12, the performance of the Company was affected due to the continuing slow down of economy.

2) Steps taken or proposed to be taken for improvement:

The Company is aggressively pursuing its business plans to move up in value chain by diversifying/expanding its Education Market all over India. The Company is also in the process of improving its performance by achieving organic & inorganic growth.

3) Expected increase in productivity and profits in measurable terms:

In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of substantial increase in revenue and profits in coming years.

IV. DISCLOSURES

- Shri N. Srikrishna does not hold any interest in the capital of the Company, directly or indirectly or through any other statutory structures. Further, Shri N. Srikrishna does not have any direct or indirect interest nor is he related to any other directors or promoters of the Company at any time during last three years before or on the date of appointment.
- Shri N. Srikrishna is also Director of Birla Edutech Limited.

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

Sd/-
Vijay Mishra
VP (Finance) & Company Secretary

Date: 10/08/2012
Place: Mumbai

**DIRECTORS' REPORT**

To

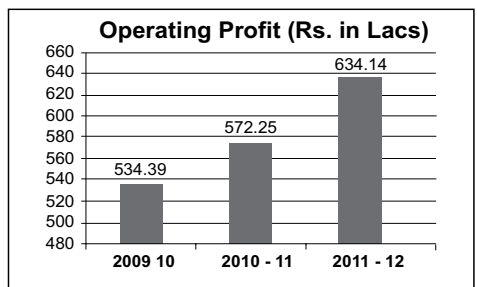
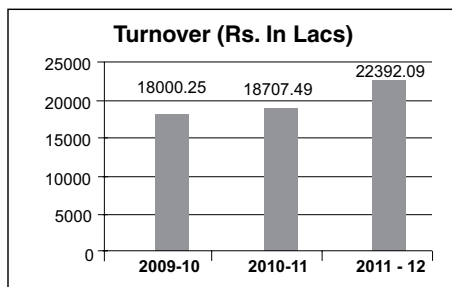
The Members

Your Directors are pleased to present the Twentieth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(Amount in Lakhs)

Particulars	As on 31.03.2012 Rupees	As on 31.03.2011 Rupees
Total Income	22,392.09	18,707.49
Total Expenditure	21,068.11	17464.49
Interest & Financial Charges	281.62	74.55
Profit/(Loss) before Tax and Depreciation	1042.35	1168.45
Less: Depreciation	408.21	596.20
Profit/(Loss) Before Tax	634.14	572.25
Less: Provision for Taxation		
Current MAT	127.49	118.14
Less: MAT Credit Entitlement	3.51	
Deferred Tax	77.27	(15.82)
Earlier year Expenses		14.44
Profit/(Loss) After Tax	425.87	455.50
Add:- Balance brought forward from last Year	1020.76	565.26
Add:- Transfer from Amalgamation Reserve Account		
Balance Carried to Balance Sheet	1446.63	1020.76
Earnings Per Share	2.03	2.60

**DIVIDEND**

In order to preserve funds for future activities, your Directors do not recommend any dividend for the financial year ended 31st March 2012.

SUBSIDIARY COMPANY:

The Company has two subsidiaries i.e.

1. Birla Edutech Limited.
2. Birla Shloka Edutech Ltd.FZE (Wholly-owned foreign subsidiary).



The important developments that have taken place during the year under report in the subsidiary of the Company are dealt with hereunder:

Particulars	Birla Edutech Limited (Amount in INR)	Birla Shloka Edutech Limited- FZE (Amount in Dirham/INR)
Country of Incorporation	India	United Arab Emirates
Total Capital Employed	35,78,89,444	10,95,857 / 1,53,73,059
Profit After Tax for the year	40,91,259	10,51,802 / 1,49,30,403
Revenue	2,14,93,940	1,58,20,401/ 22,19,33,331
Interest of Holding Company (in %)	86.67%	100%

FINANCIAL STATEMENT OF SUBSIDIARY:

In terms of General Circular issued by the Central Government under Section 212(8) of the Companies Act, 1956 vide Circular No. 5/12/2007-CL-III dated 08th February, 2011.it was decided to grant general exemption from attaching copies of the Balance Sheet, Profit and Loss Account, Report of the Board Of Directors and the Report of the Auditors of the Subsidiary Companies to the Balance Sheet of the Company provided certain condition are fulfilled. However, as required under the aforesaid circular, a summarized statement of financial position of the subsidiary has been appended to the Annual Report elsewhere. In terms of Accounting Standards 21 issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements includes the financial information of the Subsidiary.

PERFORMANCE REVIEW:

During the year under review the total income of the Company increased by Rs.3684.6 Lakhs in 2011-12 and the profit after tax decreased by Rs.29.63 Lakhs over the previous year. The Company's reserves and surplus stand at Rs.8105.24 Lakhs as at March 31, 2012.

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 that 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.

PARTICULAR OF EMPLOYEES:

During the year under review, there was no employee covered under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011.

PUBLIC DEPOSITS:

During the year under review, the Company has invited fresh Fixed Deposits from its shareholders and general public.

As on 31st March, 2012, the Company has received fixed deposit of Rs.52.84 Lacs. There are no un-paid deposits payable as of 31st March 2012. Also, there is no default in payment of interest and repayment of matured Deposit.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the accounts for the financial year ended 31st March, 2012, 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, 2012 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 and Section 256 of the Companies Act, 1956, Mr. Anoj Menon retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. A brief resume of Mr. Anoj Menon, nature of his expertise in specific functional areas, and names of Companies in which he holds directorship and the membership/Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Report on Corporate Governance forming part of the Annual Report.

AUDITORS & AUDITORS REPORT:

M/s LKM & Co., Chartered Accountants, Auditors 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. LKM. & 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 the Income Tax overdue for the Financial Year 2010-2011 of Rs. 106,37,187/- out of which Company has paid Rs. 32,00,000/- during the year.

However, the Company is in the process of paying the balance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are 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, results 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.

Foreign exchange earnings & outgo:

Particulars	2011-2012	2010-2011
Total foreign Exchange earnings	---	8,94,100
Total Foreign Exchange outgo	---	15,668

**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

Place: Mumbai
Date: 10th August, 2012

Sd/-
Yashovardhan Birla
Chairman

APPEAL

Dear Shareholder(s),

Re: Green Initiative in Corporate Governance

We wish to inform you that the Ministry of Corporate Affairs, New Delhi ("MCA") (vide its Circulars dated April 21, 2011 and April 29, 2011) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards greener environment.

Keeping in view the underlying theme and the circular issued by MCA, your Company proposes to send all future notices/ documents/ communications required to be sent under the provisions of the Companies Act, 1956 including the Annual Report of the Company to all its shareholders in electronic form to the e-mail address provided/ registered/ updated by you with the Depository Participant (DP) and made available to us by the Depositories.

Shareholders are requested to kindly register / update their E-mail ids with the DP enabling us to send the Annual Report(s) of your company through electronic mode.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.



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, IT enabled services and E-Governance.

(ii) Opportunities and Threats

With many developments in the economy and severe competition amongst the companies, the prime opportunity lies in meeting customer's 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 which 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. Being a country having 50% of its population less than 25 yrs old, the Company sees bright prospects in the coming year. The Company sees tremendous growth opportunities in the following areas:

➤ **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 drives the students 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 schools follow the conventional teaching methodology and curriculum where the classroom is more teacher centric classroom than a student centric one.

The Company sees an opportunity to help transform these schools by offering the K-12 curriculum in these schools.

➤ **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 therefore, is enhancing its capabilities and offer more products and services in this segment.

➤ **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

➤ **Setting up of a Joint Venture Company to Provide English Language Training all over India**

The Company has set up a Joint Venture Company, with M/s English Learning Group Limited, in the name of English Learning Group Private Limited which was incorporated on 19th April 2012, wherein it holds 50% of equity share plus one non-voting share. The Joint Venture Company so established has acquired Master License from the London Based LG &DE Limited to provide English Language Training all over India to students and the Corporate World under the Brand name of "Direct English".



➤ **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.

➤ **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 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 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.

➤ **Acquisition of Birla Edutech Limited**

The company has acquired 86.67% stake in Birla Edutech Limited on 6th February, 2012

Birla Edutech Limited is a teeming hive of ideas, explorations, innovations, visions and dreams. Through all its education ventures - Birla Edutech Limited promises to enhance the lives of all the people who pass through its doors – anxious parents, enthusiastic students, master instructors, aspiring individuals, future world leaders and concerned citizens. With zeal and commitment, passion and dedication, it wishes to contribute to the society, economy & environment our endeavor being to not only nurture inquiry, discovery and learning but also to encourage education as a lifelong pursuit while simultaneously contributing positively to the child's future and in turn India's pride. Birla Edutech Limited is also establishing Open Minds - K-12 Schools, Teacher Enrichment Resource Centers, Whole/ Partial School Transformation projects and Super Specialty Colleges across the country. At Birla Edutech, the main mission is to provide a learning environment which is enriching, inclusive, personalized and inquiry based with horizontal connectedness. The aim being to impart world class and seamless education right from Preschool to the Workplace.

Globe to'ers – an eco-friendly Birla Pre-School & Elevate – an enrichment program are currently operational across many cities in India. The aim is to bring back creativity and joy of learning into the classroom and prepare children to be highly skilled, innovative, creative and sensitive to the environment.

The company by acquiring 86.67% stake has hereby made BEL as a subsidiary of the company w.e.f. 6th February, 2012

➤ **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.

➤ **Acquisition of Ojus Health Care Private Limited.**

The Company has acquired 51.1% stake i.e. 12,50,000 shares of Rs. 10 each in Ojus Health Care Private Limited on 12th July 2012.



Ojus Healthcare Private Limited is a Bengaluru-based care provider committed to delivering comprehensive, cost effective primary care to citizens from all walks of life. Established in 2001, Ojus currently owns and operates a chain of clinics in the states of Karnataka and Kerala, specialized in corporate, residential and school healthcare. Ojus services are used by major Information Technology companies located in Tech Parks such as Info Tech Park Bangalore, Bagmane Tech Park Bengaluru, Technopark Thiruvananthapuram, and Infopark Kochi to name a few. Residents of the Sobha Lakeview Apartment Complex and students of Deen's Academy, both at Bengaluru, are some of other esteemed care recipients.

Ojus has also expanded its operations in E- Governance sector, the company has bagged UID Project from Canara Bank & Bank of India for PAN India operations, the company has successfully launched and started its ground level operations in the states of Jharkhand and Chhattisgarh

The Company by acquiring 51.1 % stake in Ojus, has obtained controlling power over the Management of the Ojus, thereby making it a subsidiary of the Company w.e.f 12th July 2012.

➤ **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 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.

(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 programmes.
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.22392.09 Lakhs during the year 2011-12. 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 74 during the year under review.

(ix) Cautionary Statement

Some of the statement contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual result 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. Anoj Menon	Non-Executive, Independent
Mr. Tushar Dey	Non-Executive, Non Independent
Mr. Vijay Agarwal(Resigned w.e.f. 22.09.2011)	Non-Executive, Independent

Details of the other Directorship and Chairmanship/ Membership of Committee of each Director in various companies as on 31st March, 2012 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)	14	4 (including 1 as chairman & 1 as co - Chairman)
ii.	Mr. Nidigallu Srikrishna Executive- Managing Director	1	--
iii.	Mr. Mohandas Shenoy Adige (Non-Executive Independent Director)	8	7
iv.	Mr. Anoj Menon (Non-Executive Independent Director)	3	6 (including 2 as chairman)
v.	Mr. Tushar Dey (Non-Executive Non-Independent Director)	4	--

*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 resume 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. Anoj Menon, aged 39 years, is a B.Com and LLB, from University of Bombay working as a partner at M/s Desai & Diwanji, Advocates & Solicitors, he is a corporate Lawyer specializing in Mergers and Acquisitions, Private Equity Investment, Private Investment in Public Equity, Corporate Advisory, Foreign Direct Investment, Capital Markets, SEBI Laws, Drug Laws and Dispute Resolution. Mr. Menon has an experience of over 14 years in this field.



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

Name of Company	Committee- Chairman/Member
Melstar Information Technologies Limited	Audit Committee - Member
	Shareholders/investors grievance committee - Chairman
Zenith Birla (India) Limited	Audit Committee - Member
	Remuneration Committee - Member
Birla Pacific Medspa Limited	Shareholders/investors grievance committee - Chairman
	Project Monitoring Committee - Member

d) Other provisions as to Board & Committees:

During the year ended 31st March, 2012, Five Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on 20th May, 2011, 9th August, 2011, 22nd September 2011, 8th November, 2011 and 9th February, 2012.

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)	5	No
ii.	Mr. Nidigallu Srikrishna Executive- Managing Director	5	Yes
iii.	Mr. Mohandas Shenoy Adige (Non-Executive Independent Director)	5	Yes
iv.	Mr. Anoj Menon (Non-Executive Independent Director)	5	Yes
v.	Mr. Vijay Agarwal (Resigned w.e.f. 22.09.2011)	1	No
vi.	Mr. Tushar Dey (Non-Executive Non-Independent Director)	5	Yes

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 Indian (Prohibition of Insider Trading) Regulations, 1992 (duly amended) the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorized 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 Executive 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
Executive Director

Mumbai 10th August, 2012

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

The Audit Committee has undergone reconstitution during the last 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. Mohandas Shenoy Adige	Chairman	Independent
Mr. Vijay Agarwal (Resigned w.e.f. 22.09.2011)	Member	Independent
Mr. Anoj Menon	Member	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, 2012, the Committee has met 4 times as per the minimum requirement of three meetings. The meetings were held on 20th May, 2011, 9th August, 2011, 8th November, 2011 and 9th February, 2012. 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. Mohandas Shenoy Adige	4	4
Mr. Anoj Menon	4	4
Mr. Vijay Agarwal (Resigned w.e.f.22.09.2011)	4	1

C. Remuneration Committee

The Board of Directors of the Company has constituted a Remuneration Committee on 25th May, 2009. The composition of the Committee is as follows:

Name	Title	Status
Mr. Mohandas Shenoy Adige	Chairman	Independent
Mr. Anoj Menon	Member	Independent
Mr. Vijay Agarwal (resigned w.e.f. 22/09/2011)	Member	Independent

The meeting of the Committee was held on 25th May, 2012, Mr. Mohandas Shenoy Adige and Mr. Anoj Menon 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	-	25,000
2.	Mr. Nidigallu Srikrishna	32,24,582	-
3.	Mr. Mohandas Shenoy Adige	-	45,000
4.	Mr. Anoj Menon	-	45,000
5.	Mr. Vijay Agarwal (resigned w.e.f. 22/09/2011)	-	10,000
6.	Mr. Tushar Dey	-	25,000

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	Independent
Mr. Tushar Dey	Member	Non-Executive Non-Independent

The Company Secretary acts as the Secretary to the Committee.

The meetings of the Committee were held on 20th May, 2011, 9th August 2011, 8th Nov 2011 & 9th Feb 2012. The attendance of the meeting was as follows:

Name	No. of Meetings held during the year	No. of meetings attended
Mr. Anoj Menon	4	4
Mr. Tushar Dey	4	4

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 authorized the Company Secretary, severally to approve the share transfers.

The Board has designated Mr. Vijay Mishra 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 5. Outstanding complaints as on 31st March, 2012, were NIL. No requests for transfer and for dematerialization were pending for approval as on 31st March, 2012.

III. General Body Meetings

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

Year	Location	Date	Time
17 th Annual General Meeting 2008-2009	Indian Red Cross Society, 141 Shahid Bhagat Singh Road, Town Hall Compound, Mumbai GPO, Mumbai 400 001	26 th September, 2009	3.00 pm
18 th Annual General Meeting 2009-2010	Maharashtra Chamber of Commerce, Oricon House, 6 th Floor, 12, K. Dubhash Marg, Fort, Mumbai-400 001	27 th September 2010	3.00 pm
19 th Annual General Meeting 2010-2011	Maharashtra Chamber of Commerce, Oricon House, 6 th Floor, 12, K. Dubhash Marg, Fort, Mumbai-400 001	22 nd September 2011	3.00 pm

Special resolutions passed in the previous three Annual General Meetings:

No special resolutions were passed in the 17th Annual General Meeting held on 26th September, 2009 and in the 19th Annual General Meeting held on 22nd September, 2011. However, in the 18th Annual General Meeting held on 27th September, 2010, the following special resolutions were passed:

1. Increase in Authorized Share Capital and amendment of the Memorandum of Association of the Company.
2. Alteration of Articles of Association of the Company subsequent to increase in Authorized share capital of the Company.
3. Further issue of shares u/s 81 (1) and 81 (1A)
4. Delisting of shares from Calcutta Stock Exchange Limited
5. Delisting of shares from Ahmedabad Stock Exchange Limited
6. Increase in Remuneration of the Managing Director
7. Issuance of Equity Share Warrants of the Company to Promoters on Preferential Allotment Basis.



IV. CEO/CFO CERTIFICATION

The Board of Directors has received a certificate issued by Mr. Nidigallu Srikrishna and Mr. Vijay Mishra 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 – point no. '33' 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 quarterly 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 : 20th September, 2012 at 3.30 pm
Venue : Hall of Culture,
Discovery of India Building,
Nehru Center, Dr. Annie Besant road,
Worli, Mumbai 400 018

Financial Calendar 2012-13 (tentative):

- First Quarterly Results : On or before 14th August 2012
Second Quarterly Results : On or before 14th November 2012
Third Quarterly Results : On or before 14th February 2013
Fourth Quarterly Results : On or before 15th May 2013
Book closure date : 17th September, 2012 to 20th September, 2012 (both days inclusive)

Listing of Equity Shares on:

- (i) The Bombay Stock Exchange,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001
Stock Code: 511607

Annual listing fees were duly paid to the Stock Exchanges for the year 2012-13

Demat ISIN Numbers in NSDL & CDSL for Equity Shares: INE 814E01018

**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 2011	21.70	15.60	19811.1	18976.2
May 2011	18.15	13.30	19253.9	17786.1
June 2011	15.80	13.00	18873.4	17314.4
July 2011	80.80	57.50	19131.7	18131.9
August 2011	15.49	12.56	18440.1	15765.5
September 2011	11.96	9.05	17211.8	15801.0
October 2011	10.94	9.01	17908.1	15745.4
November 2011	12.26	8.01	17702.3	15478.7
December 2011	9.67	6.11	17003.7	15135.9
January 2012	10.13	6.01	17259.0	15358.0
February 2012	13.25	8.72	18523.8	17061.6
March 2012	10.65	7.63	18040.7	16920.6

Registrars & Transfer Agents:

M/s Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate
Sakivihar Road, Andheri (E)
Mumbai-400 072
Ph: 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, 2012

Shareholding range (In Rs.)	No. of shareholders	No. of shares held	As a % to total shares
1-5000	8666	1902736	9.0842
5001-10000	1776	1513958	7.2280
10001-20000	958	1535466	7.3307
20001-30000	384	1002147	4.7845
30001-40000	193	709737	3.3885
40001-50000	162	774597	3.6981
50001-100000	259	1883884	8.9942
100001 and above	228	11623112	55.4918
Total	12626	20945637	100

**Shareholding pattern as on 31st March, 2012**

Category	%
Promoters / PACs	25.7612
Financial Institutions / Banks / Mutual Funds	-
FII's/NRI/OCBs	2.0108
Bodies Corporate	12.7833
Individual	59.3742
Others	0.0700
Total	100.00

Dematerialization of Shares: Approximately 97.8 % of the Company's paid up equity shares have been dematerialized upto 31st March, 2012.

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
Ph: 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

LKM & CO.

Chartered Accountants

LAXMIKANT MALPANI

M. No. 106989

Proprietor

Place: Mumbai

Date: May 29th, 2012



AUDITORS' REPORT TO THE MEMBERS OF BIRLA SHLOKA EDUTECH LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of Birla Shloka Edutech Limited (the company), which comprise the balance sheet as at 31st March 2012, the statement of profit and loss, Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the financial statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the companies act , 1956 ("the act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments , the auditor considers internal control relevant to the company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In case of the Balance Sheet, of the state of affairs of the company as at 31st March 2012 and
- b. In case of the statement of Profit and Loss, of Profit / (Loss) for the year ended on that date.
- c. In case of the cash flow statement for the year ended on that date.

Report on other legal and regulatory requirements:

1. This report contains a statement on the matter specified in paragraphs of 4 and 5 of the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) order, 2004 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act).
2. As required by section 227(3) of the Act , we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of books.
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in the agreement with the books of accounts.
 - d. In our opinion, Balance Sheet, Statement of Profit and Loss comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



- e. On the basis of written representation received from the directors as on 31st March 2012, and taken on the records by Board of Directors, none of the director is disqualified as on 31st March 2012, from being appointed as director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.

For LKM & Co.

Firm Registration Number: 126823W

Chartered Accountants

per Laxmikant Malpani

Proprietor

Membership Number - 106989

Place : Mumbai

Date : 29th May, 2012**ANNEXURE TO THE AUDITORS' REPORT**

Report in terms of Paragraph 4 and 5 given in Section 227(4A) of the Companies Act, 1956 (Companies (Auditor's Report) Order, 2003), issued by the Central Government:

i. FIXED ASSETS:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has carried out physical verification of fixed assets in accordance with the verification programme while conducting the verification of asset the Company should consider the impairment of asset. According to information and explanations given to us and in our opinion, discrepancies noticed on such verification were not material and have been appropriately dealt with in the books of accounts of the Company.
- c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.

ii. INVENTORY:

- a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were generally reasonable and adequate in relation to the size of the company and the nature of its business except that such procedures need to be strengthened/improved for verification of title-wise stock of finished goods (including returned goods).
- c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories.

iii. LOANS AND ADVANCES GRANTED / TAKEN FROM CERTAIN ENTITIES:

- a) Company has granted loans (unsecured) to companies covered in the register maintained under section 301 of the Act aggregating to Rs.12,14,69,527/-. For Maximum balance outstanding during the year Refer Notes to Accounts. *Refer Note Number 19 on Loans and Advances* of Financial Statement.
- b) Company has obtained Loan of Rs.55,69,984/- from the Parties covered under section 301 of the Act. For Maximum balance outstanding during the year Refer Notes to Accounts.

iv. INTERNAL CONTROL SYSTEM:

In our opinion and according to the information and explanations given to us, there is an internal control system for the purchase of inventory and fixed assets and for the sale of goods and services.

v. CONTRACTS OR ARRANGEMENT REFERRED TO IN THIS SECTION 301 OF THE COMPANIES ACT,1956:

- a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.



- b) In our opinion and according to the information and explanations given to us, in respect of transactions which have been made in pursuance of contracts or arrangement entered in the register maintained under Section 301 and exceeding the value of Rs. 5,00,000 in respect of any party during the period, we are not in the position to compare the prices with the prevailing market prices or prices charged to other parties as there have been no other such purchases or sales of exact type of goods, materials or sales of services and hence we have relied on managements representation as to reasonableness of such prices.

For detailed information regarding Contracts or Agreement referred to in Section 301 of Companies Act, 1956 refer Notes to Accounts.

vi. **ACCEPTANCE OF DEPOSITS:**

In our opinion and according to information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable, have been complied with, while accepting the public deposit of aggregating to Rs.52.84 Lacs. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

vii. **INTERNAL AUDIT SYSTEM:**

In our opinion, the Company has adequate Internal Audit system commensurate with the size and nature of its business.

viii. **COST RECORDS:**

The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

ix. **STATUTORY DUES:**

According to the information and explanations given to us, in respect of statutory and other dues:

- a) According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Fund, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and any other statutory dues, with appropriate authorities during the year *except Income Tax for the Financial Year 2010 – 2011 of Rs.106,37,187/- out of which Company has paid Rs.32,00,000/- during the year.*
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty and cess were outstanding, at the year end for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service tax, Customs duty, Excise duty and Cess, which have not been deposited on account of any dispute.

x. **ACCUMULATED LOSSES:**

The Company has no accumulated losses as at 31st March 2012 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

xi. **DUES TO FINANCIAL INSTITUTIONS, BANKS AND DEBENTURE HOLDERS:**

According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to any financial institutions or banks or debenture holders as at the balance sheet date.

xii. **SECURITY FOR LOANS & ADVANCES GRANTED:**

According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. **SPECIAL STATUTE:**

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.

xiv. **DEALINGS/TRADING IN SHARES, SECURITIES , DEBENTURES AND OTHER INVESTMENTS:**

The Company does not deal or trade in shares, securities, debentures and other investments.



xv. **GUARANTEES GIVEN:**

We have been informed that Company has given Guarantee for Term Loan obtained by the Subsidiary "Birla Edutech Limited" of the Company aggregating to Rs.65 Crores.

Refer Note 32 on Contingent Liabilities of Notes on Financial Statement.

xvi. **TERM LOANS:**

According to information and explanations given to us, term loans obtained were applied for the purpose for which the loans were obtained.

xvii. **UTILISATION OF FUNDS:**

According to the information and explanations given to us, on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long-term investment.

xviii. **PREFERENTIAL ALLOTMENT OF SHARES:**

During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix. **SECURITY FOR DEBENTURES ISSUED:**

The Company has not issued any debentures during the year and accordingly, paragraph 4(xix) of the order is not applicable.

xx. **PUBLIC ISSUE OF EQUITY SHARES:**

The Company has not raised any money through a public issue during the year.

xxi. **FRAUDS NOTICED:**

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

For LKM & Co.

Firm Registration Number: 126823W

Chartered Accountants

sd/-

per Laxmikant Malpani

Proprietor

Membership Number - 106989

Place : Mumbai

Date : 29th May, 2012

**Balance Sheet as at 31st March, 2012**

		Amount in INR	
	Notes	As at 31st March, 2012	As at 31st March, 2011
Equity and Liabilities			
Share Capital	3	209,456,370	209,456,370
Reserves and Surplus	4	810,524,028	764,457,035
Money Received against Share Warrants	5	16,955,987	16,955,987
		1,036,936,385	990,869,392
Non Current Liabilities			
Long Term Liabilities	6	54,798,917	366,119
Deferred Tax Liabilities (Net)	7	10,123,723	2,396,302
Long Term Provisions	8	1,449,857	270,548
		66,372,497	3,032,969
Current Liabilities			
Short Term Borrowings	9	141,610,586	109,806,697
Trade Payables	10	528,348,703	643,873,865
Other Current Liabilities	11	4,069,284	3,498,344
Short Term Provisions	12	23,405,114	12,730,111
		697,433,688	769,909,017
		1,800,742,569	1,763,811,379
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	39,523,168	43,465,511
Intangible Assets		149,484,113	111,781,975
Capital Work in Progress		196,912,151	144,989,069
Non Current Investments	14	428,070,508	428,070,508
Other Non-Current Assets	15	4,871,000	2,671,000
		818,860,939	730,978,062
Current Assets			
Inventories	16	105,580,734	55,656,569
Trade Receivables	17	561,926,229	702,607,313
Cash and Bank Balances	18	18,302,140	18,452,684
Short Term Loans and Advances	19	295,974,608	256,067,982
Other Current Assets	20	97,918	48,768
		981,881,629	1,032,833,316
		1,800,742,569	1,763,811,379
Significant Accounting Policies	2		

The accompanying notes are forming integral part of the Financial Statement.

As per our report of even date

For LKM & Co.
Chartered Accountant
Firm Registration Number - 126823W

For and on behalf of the Board of Directors of
Birla Shloka Edutech Limited

sd/-
(Laxmikant Malpani)
Proprietor
Membership Number - 106989

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(N. Srikrishna)
Managing Director

Place : Mumbai
Date : 29th May, 2012

sd/-
(Tushar Dey)
Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED, 31ST MARCH 2012.**

Particulars	Note No.	Amount in INR	
		Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from Operations		2,228,598,470	1,856,025,211
II. Other Income	21	10,610,424	14,723,910
III. Total Revenue (I + II)		2,239,208,894	1,870,749,121
IV. Expenses:			
Changes in Inventories (Finished Goods, Work - in - Progress)	22	(102,063,665)	(51,464,621)
Purchases		2,157,754,152	1,763,766,816
Employee Benefits Expenses	23	24,625,017	17,333,017
Finance Costs	24	28,162,451	7,454,540
Depreciation and Amortization Expense	13	40,821,032	59,619,894
Administration Expenses	25	26,495,493	16,814,134
Total Expenses		2,175,794,480	1,813,523,780
V. Profit before exceptional and extraordinary items and Tax (III-IV)		63,414,414	57,225,341
VI. Exceptional items and Extraordinary Items		-	-
VII. Profit before Tax		63,414,414	57,225,341
VIII. Tax Expenses:			
(1) Current Tax		12,749,137	11,814,000
Add : MAT Credit Entitled		350,863	-
		13,100,000	11,814,000
(2) Deferred Tax		7,727,421	(1,581,824)
(3) For Earlier Years		-	1,443,559
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)		42,586,993	45,549,606
X. Profit from Discontinuing Operations		-	-
XI. Profit/(Loss) for the year (XI + XIV)		42,586,993	45,549,606
XII. Earnings per Equity Share:			
Basic		2.03	2.60
Diluted		1.94	2.46
XIII. Net Profit considered for Calculation of Earning per Share		42,586,993	45,549,606
XIV. Number of Shares taken for Calculation of EPS			
Basic		20,945,637	17,524,165
Diluted		21,943,048	18,521,576

Significant Accounting Policies

2

The accompanying notes are forming integral part of the Financial Statement.

As per our report of even date

For LKM & Co.
Chartered Accountant
Firm Registration Number - 126823W

For and on behalf of the Board of Directors of
Birla Shloka Edutech Limited

sd/-
(Laxmikant Malpani)
Proprietor
Membership Number - 106989

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(N. Srikrishna)
Managing Director

Place : Mumbai
Date : 29th May, 2012

sd/-
(Tushar Dey)
Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED, 31ST MARCH 2012.**

Particulars	Amount in INR	
	Year ended March 31, 2012	Year ended March 31, 2011
Cash Flow from Operating Activities		
Net Profit Before Taxation	63,414,414	57,225,341
Adjustment for:		
Depreciation and Amortization	40,821,032	59,619,894
Loss on Written Off of Fixed Assets	590,165	-
Gratuity and Leave Encashment	1,501,659	42,981
Interest and other Financial Charges	28,162,451	7,454,540
Interest Income	(4,222,072)	(9,750,546)
Operating Profit Before Working Capital Changes	130,267,649	114,592,210
Working Capital Changes:		
Trade & Other Receivable	98,525,307	(313,073,446)
Inventories	(49,924,165)	(51,464,621)
Trade Payables and Other Liabilities	(114,501,569)	204,800,892
Tax Paid	(3,200,000)	(9,082,057)
Net Cash From Operating Activities	61,167,222	(54,227,023)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(127,094,074)	(182,051,883)
Investments	-	(428,070,508)
Fixed Despot with Banks having maturity more than 3 months	(25,698)	(351,656)
Interest on Loan granted	4,222,072	9,750,546
Net Cash from Investing Activities	(122,897,700)	(600,723,501)
Cash Flow from Financing Activities		
Deposit Refund from Stock Exchange Board of India	3,480,000	-
Proceeds from Borrowings (Net)	86,236,687	67,420,277
Proceeds from Issue of Share Capital	-	79,920,370
Proceeds from Issue of Share Warrants	-	16,955,987
Proceeds from Share Premium Account	-	409,534,741
Interest and other Financial Charges	(28,162,451)	(7,454,540)
Net Cash from Financing Activities	61,554,236	566,376,835
Net Increase in Cash & Cash Equivalents	(176,243)	(88,573,689)
Cash & Cash Equivalents As at Beginning of Year	18,101,028	106,674,717
Cash & Cash Equivalents As at End of the Year	17,924,785	18,101,028

The accompanying notes are forming integral part of the Financial Statement.

As per our report of even date

For LKM & Co.
Chartered Accountant
Firm Registration Number - 126823W

For and on behalf of the Board of Directors of
Birla Shloka Edutech Limited

sd/-
(Laxmikant Malpani)
Proprietor
Membership Number - 106989

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(N. Srikrishna)
Managing Director

Place : Mumbai
Date : 29th May, 2012

sd/-
(Tushar Dey)
Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary



Notes forming part of the Balance Sheet & Statement of Profit and Loss for the Year Ended 31 March, 2012

1. Company Overview

Birla Shloka Edutech Limited (the Company) has been incorporated on 25th May, 1992 (Registration Number 066910) with Registrar of Mumbai as Rathi Mercantile Industries Limited. Company got its name as Birla Shloka Edutech Limited in December 2008. The Registered Office of the Company is situated at Industry House, 159, Churchgate Reclamation, Mumbai, Maharashtra 400 020.

Company is engaged in providing IT Services and sale of IT products and has a curriculum based educational software programme viz, XL@school as per the Syllabus prescribed by different educational boards that is designed to impart academic knowledge through electronic media.

The Company has authorised capital of Rs. 100,00,00,000/- and Paid up Capital of Rs. 20,94,56,370/- . The Company has listed its Shares on Bombay Stock Exchange (BSE), Mumbai.

The Company has two subsidiaries Birla Shloka Edutech Limited FZE and Birla Edutech Limited engaged in Development of Educational Curriculum and operations of own and franchised K12 School. Later one is purchased during the Year on 06th February, 2012.

2. Significant Accounting Policies

a. Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. 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. Annual Technical Services revenue and revenue from fixed price maintenance contracts are recognized ratably over the period in which services are rendered.

Profit on sale of is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Lease rentals are recognized ratably on a straight line basis over the lease term. Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Provision and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

e. Fixed Assets - Tangible and Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization.

f. Depreciation and Amortization

Depreciation on Tangible Assets is provided on the Written down Value Method over the useful lives of assets estimated by the Management.

Intangible assets are amortized over their respective individual estimated useful lives on the basis of Future Economic benefits derived from that Particular Asset.

**g. 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.

h. Inventories

Inventories includes the Finished Goods available for Sale and Work in Progress. Value of Inventories includes the Cost of Procuring Goods and Services, Development Cost, Borrowing Cost (if permitted by AS-16 - "Borrowing Cost") and any other expenditure incurred in relation to the inventory necessary to bring that in the Present and Saleable Condition.

Inventory are valued using First in First Out basis as suggested by Accounting Standard - 2.

i. Borrowing Cost

Borrowing Cost is generally and ordinarily charged to the Statement of Profit and Loss for the respective year of which that Cost belongs except the Borrowing Cost incurred in relation to acquisition and Construction of Fixed Assets and Inventory which take substantial period of time to get ready for its intended use.

j. Employee Benefits

- i. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

k. Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

l. Foreign Currency Transactions

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction and the liability is translated to the Exchange Rate in effect on the Balance Sheet Date and any gain or loss on such translation is charge to Statement of Profit and Loss. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

m. Provision for Current and Deferred Tax

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) credit is recognized 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. paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

**n. Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment

p. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

q. Miscellaneous Expenditure

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

r. Segment Reporting

As the Company operates in one segment only i.e. Information Technology, Segment Reporting is not applicable.

3 SHARE CAPITAL

	31-Mar-12	31-Mar-11
Authorised Capital :		
100,000,000 Equity Shares of Rs 10/- each (31st March, 2011 : 100,000,000)		
Total	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, Subscribed & Paid up Capital :		
2,09,45,637 Equity Shares of Rs 10/- each (31st March, 2011 : 2,09,45,637)	209,456,370	209,456,370
Total	<u>209,456,370</u>	<u>209,456,370</u>
a. Reconciliation of the share outstanding at the beginning and at the end of the reporting period		
Equity Shares		
Outstanding at the beginning of the Period	20,945,637	12,953,600
Issued during the Year		
i. 69,94,625 Equity Shares of Rs.10/- each were issued at a consideration of `65.25 and represented by GDR	-	6,994,625
ii. 9,97,412 Equity Shares are issued against the conversion of Share Warrants, at a price of `68/- each	-	997,412
Outstanding at the end of the Period	20,945,637	20,945,637
b. Terms and Rights attached to Equity Shares		
The company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share.		
c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates		
Company does not have any Holding Company.		
d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:		
No Shares are issued for consideration other than Cash or Bonus during last five years.		



	31-Mar-12	31-Mar-11
e. Details of shareholders holding more than 5% shares in the company		
Name of Shareholder	Number of Shares	% of Total Shares
Godavari Corporation Private Limited	2,129,780	10.17%
Nirved Traders Private Limited	1,705,292	8.14%
4 Reserves and surplus		
Securities Premium		
Opening Balance	662,380,982	252,846,241
Add : Addition during the Year		
i. 69,94,625 Equity Shares of Rs.10/- each represented by GDR were issued at a consideration of Rs. 65.25, Security Premium of Rs. 55.25 each	-	386,453,031
ii. 9,97,412 Equity Shares are issued against the conversion of Share Warrants, at a price of Rs. 68/- each, Security Premium of Rs. 58 each	-	57,849,896
iii. Security Deposit Received from Stock Exchange earlier charge to Security Premium Account	3,480,000	-
Less : Utilization during the Year		
iv. Issue Expenses pertaining to FPO	-	(2,548)
v. Issue Expenses pertaining to GDR	-	(34,647,813)
vi. Issue Expenses pertaining to Share Warrants	-	(117,825)
Closing Balance	665,860,982	662,380,982
Statement of Profit and Loss		
Opening Balance	102,076,053	56,526,447
Add : Profit / (Loss) During the Year	42,586,993	45,549,606
Closing Balance	144,663,045	102,076,053
	<u>810,524,028</u>	<u>764,457,035</u>
5 Money Received against Share Warrants		
9,97,411 Share Warrants are issued towards preferential allotment, at a price of Rs. 68/- each, Security Premium of Rs. 58 each and Rs. 17/- paid up	16,955,987	16,955,987
	<u>16,955,987</u>	<u>16,955,987</u>
6 Long Term Borrowings		
Term Loan from Banks		
The Catholic Syrian Bank	91,149,315	-
(Company has obtained Term Loan from Catholic Syrian Bank Limited - Vile Parle, Mumbai Branch during the Year and loan is secured by the Exclusive Charge on Present and Future Fixed Assets of the Company)		
Less : Maturity within one Year (Short Term Borrowing)	41,149,315	-
	50,000,000	-
Vehicle Loan from Banks		
Bank of India	204,832	463,490
Less : Maturity within one Year (Short Term Borrowing)	204,832	258,658
	-	204,832



	31-Mar-12	31-Mar-11
Vehicle Loan from Others		
Tata Capital Limited	161,287	238,527
Less : Maturity within one Year (Short Term Borrowing)	97,371	77,240
	63,917	161,287
(The above Vehicle Loans are secured by the First Charge on Vehicles)		
Public Deposit	5,284,000	-
Less : Maturity within one Year (Short Term Borrowing)	549,000	-
	4,735,000	-
	<u>54,798,917</u>	<u>366,119</u>
The above amount includes:		
Secured Borrowing	50,063,917	366,119
Unsecured Borrowing	4,735,000	-
	<u>54,798,917</u>	<u>366,119</u>
7 Deferred Tax Liabilities (Net)		
On Account of Timing Difference in Charging Depreciation as per Companies Act, 1956 and allowability under Income Tax Act, 1961	21,424,160	18,203,119
On Account of Timing Difference in Allowability and Charging of Preliminary Expenses incurred in connection with Initial Public Offer (IPO) and Global Depository Receipt (GDR) as per Companies Act, 1956 and Income Tax Act, 1961	(10,756,737)	(15,806,817)
On Account of Timing Difference in Allowability and Charging of Gratuity and Leave Encashment payable to Employees. As per Income Tax Act, 1961 Gratuity and Leave Encashment is allowed as Expenses on Payment basis and as per Companies Act, 1956 the same is charged to Statement of Profit and Loss in the Year of Service Rendered.	(543,699)	-
	<u>10,123,723</u>	<u>2,396,302</u>
8 Long Term Provisions		
Provision for Post Employment Benefits		
Provision for Gratuity	1,024,848	270,548
Less : Provide for Current Services	14,392	-
	<u>1,010,456</u>	<u>270,548</u>
Leave Encashment	650,651	-
Less : Provide for Current Services	211,250	-
	<u>439,401</u>	<u>-</u>
	<u>1,449,857</u>	<u>270,548</u>
9 Short Term Borrowings		
Cash Credit sanctioned from Bank (Secured)		
The Catholic Syrian Bank	94,040,085	96,726,622
(Cash Credit of the Company is secured by the Equitable Mortgage of Office Premises and Hypothecation of Book Debts)		
Interest Free Loan (received from related party payable on demand)	5,569,984	9,744,177
Interest carrying loan from Others	-	3,000,000
Long Term Borrowing Payable within a Year		
Term Loan from Banks		
The Catholic Syriyan Bank	41,149,315	-



	31-Mar-12	31-Mar-11
Vehicle Loan from Banks		
Bank of India	204,832	258,658
Vehicle Loan from Other		
Tata Capital Limited	97,371	77,240
Public Deposit	549,000	-
	<u>141,610,586</u>	<u>109,806,697</u>
The above amount includes:		
Secured Borrowing	135,491,602	97,062,520
Unsecured Borrowing	6,118,984	12,744,177
	<u>141,610,586</u>	<u>109,806,697</u>
10 Trade payables		
Unsecured and Considered Good		
Due to Micro and Small Enterprises	-	-
Others	528,348,703	643,873,865
	<u>528,348,703</u>	<u>643,873,865</u>
11 Other Current Liabilities		
Advance from Customers	1,817,909	562,054
Duties and Taxes		
Tax Deduction at Source	355,216	57,781
Service Tax	1,096,361	2,211,119
Contribution to Employee benefit Statutory Fund and Professional Tax	4,762	2,560
Value Added Tax and Central Sales Tax	(2,011,711)	(1,494,027)
Deposit Received	2,350,000	2,050,000
Other Liabilities		
Payable to Employees	456,748	108,857
	<u>4,069,284</u>	<u>3,498,344</u>
12 Short Term Provisions		
Provision for Income Tax		
Assessment Year 2005-2006	1,032	1,032
Assessment Year 2006-2007	-	6,338
Assessment Year 2007-2008	-	8,670
Assessment Year 2010-2011	8,593,349	11,793,349
Assessment Year 2011-2012	12,749,137	-
Public Issue Refund Payable	-	8,000
Provision for Expenses	1,835,953	912,722
Provision for Gratuity for Current Services	14,392	-
Provision for Leave Encashment for Current Services	211,250	-
Total	<u>23,405,114</u>	<u>12,730,111</u>



13 Fixed Assets, Depreciation and Amortisation

Sr. No.	Description of Asset	Gross Block				Depreciation			Net Block		
		As on 01.04.2011	Additions	Deletion	As on 31.03.2012	As on 01.04.2011	Provided For the Year	Adjusted	As on 31.03.2012	As on 31.03.2011	
1	TANGIBLE ASSETS										
	Office Building	42,429,503	-	-	42,429,503	10,039,509	1,619,500	-	11,659,008	30,770,495	32,389,994
	Shop Building	5,669,000	-	-	5,669,000	2,413,225	325,578	-	2,738,802	2,930,198	3,255,775
	Computer Systems	17,812,886	796,961	-	18,609,847	14,964,913	1,356,496	-	16,321,409	2,288,438	2,847,973
	Furniture & Fixtures	2,123,576	-	-	2,123,576	1,294,081	148,692	-	1,442,773	680,803	829,495
	Office Equipments	4,748,228	-	1,564,315	3,183,913	1,617,719	436,928	974,150	1,080,497	2,103,416	3,130,509
	Vehicles	1,656,936	-	-	1,656,936	645,172	261,946	-	907,118	749,818	1,011,764
	Subtotal- Tangible Assets	74,440,129	796,961	1,564,315	73,672,775	30,974,618	4,149,139	974,150	34,149,607	39,523,168	43,465,511
2	INTANGIBLE ASSETS										
	Computer Software (Content)	30,889,014	5,289,715	-	36,178,729	5,821,167	3,035,756	-	8,856,923	27,321,806	25,067,847
	Computer Software (Other)	152,443,617	69,084,316	-	221,527,933	69,110,363	33,636,137	-	102,746,500	118,781,433	83,333,254
	Goodwill	3,380,874	-	-	3,380,874	-	-	-	-	3,380,874	3,380,874
	Subtotal- Intangible Assets	186,713,505	74,374,031	-	261,087,536	74,931,530	36,671,893	-	111,603,423	149,484,113	111,781,975
3	Capital Work in Progress										
	WIP XI @school (Vidopasana)	5,289,715	5,073,297	5,289,715	5,073,297	-	-	-	-	5,073,297	5,289,715
	WIP - Tribal Project (Maharashtra)	139,699,354	52,139,500	-	191,838,854	-	-	-	-	191,838,854	139,699,354
	Subtotal- Intangible Assets	144,989,069	57,212,797	5,289,715	196,912,151	-	-	-	-	196,912,151	144,989,069
	Grand Total (1+2+3)	406,142,703	132,383,789	6,854,030	531,672,462	105,906,149	40,821,032	974,150	145,753,031	385,919,431	300,236,554
	Previous Year	224,090,820	187,464,403	5,412,500	406,142,703	46,286,255	59,619,894	-	105,906,149	300,236,554	177,804,565

Note: capital work in progress includes Capital Advances given.



	31-Mar-12	31-Mar-11
14 Non Current Investments		
Investment in Subsidiaries		
Birla Shloka Edutech Limited - FZE	420,508	420,508
Birla Edutech Limited	327,150,000	327,150,000
(During the Year Company has acquired 86.67% Equity Shares of Birla Edutech Limited at Par)		
Others		
Enn Vee Holdings Private Limited	100,500,000	100,500,000
	<u>428,070,508</u>	<u>428,070,508</u>
15 Other Non Current Assets		
Security Deposits Given		
Security Deposit - Guest House	250,000	250,000
Security Deposit - Office	1,800,000	1,800,000
Tender Deposits	2,760,000	560,000
Sundry Deposits	61,000	61,000
	<u>4,871,000</u>	<u>2,671,000</u>
16 Inventories		
(Verified and Valued by Management)		
Finished Goods and Work in Progress	105,580,734	55,656,569
	<u>105,580,734</u>	<u>55,656,569</u>
17 Trade Receivables		
More than Six Months - Considered Good	32,980,855	9,628,137
Others	528,945,374	692,979,176
	<u>561,926,229</u>	<u>702,607,313</u>
<u>The above amount includes:</u>		
Related Party covered under section 301	10,557,270	9,628,137
Others	551,368,959	692,979,176
	<u>561,926,229</u>	<u>702,607,313</u>
(It is the policy of the Company to provide the Provision for doubtful debts as and when the Debtors is considered as Unrealizable and the collectability is not certain).		
18 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in Hand	1,584,666	867
Cash at Bank		
Axis Bank Limited	19,827	32,132



	31-Mar-12	31-Mar-11
Axis Bank Limited - Deposit	4,360,301	-
Bank of India	1,627,405	1,047,317
State Bank of India	234,255	689,717
The Catholic Syrian Bank Limited	20,978	57,777
Yes Bank Limited	77,354	405,886
Cheques in Hand	-	366,745
Fixed Deposit		
The Catholic Syrian Bank Limited	10,000,000	15,500,587
(A)	<u>17,924,785</u>	<u>18,101,028</u>
Other Bank Balances		
Fixed Deposit		
Bank of India	377,354	351,656
(Company has kept the above deposit as lien for obtaining Bank Guarantee in favour of Tribal Department of Maharashtra from Bank of India).		
(B)	<u>377,354</u>	<u>351,656</u>
Total	<u>18,302,140</u>	<u>18,452,684</u>
19 Short Term Loans and Advances		
Advances recoverable in cash or in Kind		
Loans and Advances to Related Parties	132,982,951	115,886,110
Loans and Advances to Others	144,913,500	118,625,000
(Out of the above Rs. 3,24,85,803/- loan is given on Interest @ 15% p.a. except this loan, no other loan is carrying any Interest Income and in view of the Management all the Loans are recoverable in cash or in Kind and relates to the business of the Company).		
(A)	<u>277,896,451</u>	<u>234,511,110</u>
Other Loans and Advances		
Income Tax paid and Tax Deducted at Source	9,683,902	5,395,683
MAT Credit Entitlement	7,271,716	7,622,576
Prepaid Expenses	172,177	8,086,115
Loan to Employees	950,363	452,497
(B)	<u>18,078,157</u>	<u>21,556,872</u>
Total (A+B)	<u>295,974,608</u>	<u>256,067,982</u>
20 Other Current Assets		
Advance to Creditors	97,918	48,768
	97,918	48,768
21 Other Income		
Rent	5,547,900	4,756,000
Interest	4,222,072	9,750,546
Miscellaneous Income	840,451	217,364
Total	<u>10,610,424</u>	<u>14,723,910</u>



	31-Mar-12	31-Mar-11
22 Changes in Inventories of Finished Goods, Work-in-Progress		
Opening Stock	55,656,569	4,191,948
Less:Capitalised during the Year	52,139,500	-
Less:Closing stock	105,580,734	55,656,569
Change in Stock	<u>(102,063,665)</u>	<u>(51,464,621)</u>
<i>(During the Year Company has capitalised Rs.5,21,39,500 of its Inventory forming part of Opening Stock as "WIP - Tribal Project" under the group "Capital Work in Progress" at Cost)</i>		
23 Employee benefits expense		
Salary and Other Allowances	21,932,871	16,362,959
Post Employment Benefit	2,447,081	732,749
Short Term Employment Benefit	245,065	237,309
	<u>24,625,017</u>	<u>17,333,017</u>
24 Finance Cost		
Interest	27,511,061	6,186,274
Bank charges	29,060	158,086
Loan Processing Charges	622,330	1,110,180
	<u>28,162,451</u>	<u>7,454,540</u>
25 Administration expenses		
Rent	4,031,600	3,838,500
Electricity	793,075	858,794
Communication	875,219	590,705
Listing Fee	162,297	239,250
Professional Fee	9,133,835	6,655,275
Audit Fee	385,000	281,000
Charity and Donation	3,500,000	110,000
Travelling and Conveyance	2,916,115	1,990,047
Director Sitting Fee	150,000	176,000
Loss on Assets written off	590,165	-
Other Administration Expenses	3,958,187	2,074,563
	<u>26,495,493</u>	<u>16,814,134</u>
26 Cash and Cash Equivalents		
Cash in Hand	1,584,666	867
Cash at Bank	6,340,120	2,599,574
Fixed Deposit with Banks (having maturity less than 90 Days)	10,000,000	15,500,587
	<u>17,924,785</u>	<u>18,101,028</u>

**27 Gratuity and Other Post Employment Benefit Plans****a. Defined Contribution Plan**

Company pays Contribution to the various statutory funds viz, Provident Fund and Employee State Insurance on regular basis and account for the same as expense in the year of Service Rendered.

b. Defined Benefit Plan

- i. 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.

Statement of Profit and Loss

	31st March, 2012	31st March, 2011
Net Employee benefit expense recognized in employee cost		
Current Service Cost	34,258	238,136
Interest Cost on Benefit Obligation	22,320	34,006
Expected return on Planned Assets		-
Net actuarial (Gain) / Loss	728,876	(243,548)
Past Service Cost		-
Net benefit expense	785,454	28,594
Balance Sheet		
Details of Provision for gratuity		
Defined Benefit Obligation	1,024,848	270,548
Fair value of Planned Assets	-	-
Amount recognized in the balance sheet	1,024,848	270,548
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	270,548	425,069
Interest Cost	22,320	34,006
Current Service Cost	34,258	238,136
Benefits paid	31,154	183,115
Actuarial (Gains) / Losses on obligation	728,876	(243,548)
Closing defined benefit obligation	1,024,848	270,548
Changes in the fair value of plan assets are:		
The company does not fund the gratuity 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	31st March, 2012	31st March, 2011
Future Salary Rise	6.00%	6.00%
Rate of Discounting	8.50%	8.25%
Attrition Rate	2.00%	2.00%
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.		

- ii. Company provide for the liability of Leave Encashment payable to the Employees in the year of Service Rendered as per the Company's policy.

**28 Remuneration paid to Managing Director is as follows:**

Particulars	31st March, 2012	31st March, 2011
Salaries	3,224,582	3,011,860
Total	3,224,582	3,011,860

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for Calculation of Ceiling of Remuneration:

Particulars	31st March, 2012	31st March, 2011
Profit before Tax as per Profit and Loss Account	63,414,414	57,225,341
Add : Director's Remuneration	3,224,582	3,011,860
Add : Depreciation charged to Profit and Loss Account	40,821,032	59,619,894
Less : Depreciation as per Section 350	40,821,032	59,619,894
Net Profit as per Section 349	66,638,996	60,237,201
Maximum Remuneration which can be paid as per Section 350 (5% of Net Profit computed as per Section 349)	3,331,950	3,011,860
Remuneration paid to Managing Director	3,224,582	3,011,860

29 Auditor's Remuneration

Particulars	31st March, 2012	31st March, 2011
Audit Fee	385,000	316,000
Certification Work	100,000	125,000
Consultancy Charges	-	-
Total	485,000	441,000

30 Earning / Expenditure in Foreign Exchange

	31-Mar-12	31-Mar-11
Earning in Foreign Exchange	-	894,100
Expenditure in Foreign Exchange	-	15,668

31 Previous Year figures have been regrouped wherever consider necessary for better presentation of Financial Statement and to make comparable with Year's Financial Statement.

32 Contingent Liabilities

- Company has to pay part of the Self Assessment Tax for the Financial Year 2010 - 2011. Interest on the same is provided however, penalty under section 221 of the Income Tax Act, 1961 can be levied by the Department of Income Tax.
- Company has given Corporate Guarantee for Loan obtained by the Subsidiary "Birla Edutech Limited" of Rs. 65 Crores. Till 31st March, 2012 Loan is not disbursed.
- Company has obtained the Bank Guarantee for the Governmen Department from Bank of India aggregating to Rs. 3.00 Lacs Company has provided the Fixed Deposit as security for obtaining the same amounting to Rs. 377,354 (31st March, 2011 - Rs. 351,656/-)

33 Related Party Disclosures**i. List of Parties****a. Key Management Personnel**

Mr. Yashovardhan Birla – Chairman

Mr. Srikrishna Nidigallu – Managing Director

**b. Subsidiary**

Birla Edutech Limited - 86.67% Shareholding

Birla Shloka Edutech Limited, FZE - 100.00% Shareholding

c. Enterprises Owned or Significantly Influenced by Key Management Personnel or their Relatives

Birla Electrical Limited

Birla Global Corporate Limited

Birla Infrastructure Private Limited

Birla Power Solutions Private Limited

Birla Precision Technologies Limited

Birla Surya Limited

Birla Transasia Carpets Limited

Birla Viking Travels Limited

Dagger Forst Tools Limited

Godavari Corporation Limited

Melstar Information

Technologies Limited

Nirved Traders Limited

Scimitar Investment & Trading Company Private Limited

Shearson Investment & Trading Company Private Limited

Zenith Birla India Limited

ii. Related Party Transaction

	Particulars	Transactions during the Year
Key Management Personnel	Salary	3,224,582
Enterprises owned or significantly influenced by key management personnel or their relatives	Sale of HW	226,085
	Purchase of Software	(76,200,000)
	Rent Received	115,200
	Interest Receivable	4,136,178
	Interest Paid	(159,781)
	Reimbursement of Expenses from Group Companies	13,591,498
	Reimbursement of expenses to Group Co	(9,282,369)
	Rent Paid	3,750,000
	Loan & Advances granted	118,717,000
	Loan & Advances taken/Recovered	(92,400,000)



Sr. No.	Name of the Companies	Relation	Balance Outstanding	Maximum Outstanding
1	Birla Global Corporate Ltd	Company Registered under Same Management	2,354,631	2,479,035
2	Birla Infrastructure Pvt. Ltd	Company Registered under Same Management	-	(9,744,177)
3	Godavari Corporation Ltd	Company Registered under Same Management	(5,569,984)	8,330,016
4	Nirved Traders Pvt. Limited	Company Registered under Same Management	19,221,725	19,221,725
5	Shearson Investment & Trading Co	Company Registered under Same Management	11,293,799	21,293,799
6	Zenith Birla India Ltd	Company Registered under Same Management	7,674,041	7,674,041
7	Birla Power Solutions Ltd.	Company Registered under Same Management	57,646,016	60,146,017
8	Birla Surya Ltd	Company Registered under Same Management	105,606	105,606
9	Birla Edutech Ltd	Subsidiary	32,687,407	100,864,534
10	Birla Cotsyn India Limited	Company Registered under Same Management	4,863,425	4,863,425
11	Birla Pacific MEDSPA ltd.	Company Registered under Same Management	-	10,159,781
12	Birla Electrical Ltd.	Company Registered under Same Management	-	124,435
13	Birla Viking Travels Ltd.	Company Registered under Same Management	(74,805)	(74,805)

**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company**

Name of subsidiary company	Financial year ended on	Date of becoming subsidiary	Currency	Paid up Capital	Holding Company's interest in the subsidiary as of March 31, 2011 %	For current financial year of the subsidiary			For previous financial years since it became a subsidiary		
						Aggregate profits / (losses) not dealt with in the Holding Company's accounts	Aggregate profits / (losses) dealt with in the Holding Company's accounts	Aggregate profits / (losses) not dealt with in the Holding Company's accounts	Aggregate profits / (losses) dealt with in the Holding Company's accounts	Aggregate profits / (losses) not dealt with in the Holding Company's accounts	Aggregate profits / (losses) dealt with in the Holding Company's accounts
Birla Shloka Edutech Limited FZE	March 31, 2012	08.12.2010	UAE	35,000	100%	10,60,857	Nil	9,055	Nil	Nil	Nil
Birla Edutech Limited	March 31, 2012	06.02.2012	INR	431,473	86.67%	1,48,82,067	Nil	111,628	Nil	Nil	Nil
			INR	37,74,50,000		(1,95,60,556)	Nil	Nil	Nil	Nil	Nil

Notes:

- Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate : 1 UAE Dirham = Rs. 12.3278 (for Financial year 2010-11)
- Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate : 1 UAE Dirham = Rs. 14.0283 (for Financial year 2011-12)

For and on behalf of the Board of Directors of Birla Shloka Edutech Limited

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(Tushar Dey)
Director

sd/-
(N. Srikrishna)
Managing Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary

Place : Mumbai
Date : 29th May, 2012



Auditor's Report on the Consolidated Financial Statements of Birla Shloka Edutech Limited and its Subsidiaries for the year 2011 - 2012

The Board of Directors of Birla Shloka Edutech Limited

1. We have audited the Consolidated Financial Results of 'Birla Shloka Edutech Limited' ("the Company") for the year ended 31st March, 2012, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from the disclosures made by the Management and have not been audited by us. These Consolidated Financial Results are prepared on the basis of Financial Statement of the Company and its subsidiaries, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such Financial Statement.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the Financial Statements of subsidiaries includes in the Consolidated Financial Statements. These financial statements and other financial information of the 2 subsidiaries have been audited by other auditor whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Details of the Subsidiary are as follows:

Particulars	Birla Edutech Limited (Amount in INR)	Birla Shloka Edutech Limited – FZE (Amount in Dirham / INR)
Country of Incorporation	India	United Arab Emirates (UAE)
Total Capital Employed	35,78,89,444	10,95,857 / 153,73,059
Total Assets	44,66,67,838	12,27,897 / 1,72,55,077
Profit after Tax for the Year	40,91,259	10,51,802 / 1,49,30,403
Interest of Holding Company (in %)	86.67%	100.00%
Interest of Minority (in %)	13.33%	Nil
Minority Share (in Currency)	46,622,414	Not Applicable

4. We report that the Consolidated Financial Statements prepared by the company is in accordance with the requirements of Accounting Standards (AS) 21 on, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on financial statements of subsidiary companies, and to the best of our information and according to the explanation given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in the conformity with the accounting principles generally accepted in India:
 - a. In case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012.
 - b. In case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the period ended March 31, 2012; and
 - c. In case of the Consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

For LKM & Co.
Chartered Accountants
Firm Registration Number 126823W

Sd/-
Laxmikant Malpani
Proprietor
Membership Number 106989

Place : Mumbai
Date : 29th May, 2012

**Consolidated Balance Sheet as at 31st March, 2012**

		Amount in INR	
	Notes	As at 31st March, 2012	As at 31st March, 2011
Equity and Liabilities			
Share Capital	4	209,456,370	209,456,370
Reserves and Surplus	5	827,948,357	764,568,664
Money Received against Share Warrants	6	16,955,987	16,955,987
		1,054,360,714	990,981,021
Minority Interest		46,622,414	-
Non Current Liabilities			
Long Term Liabilities	7	54,798,917	366,119
Deferred Tax Liabilities (Net)	8	10,123,723	2,396,302
Long Term Provisions	9	2,082,226	270,548
		67,004,866	3,032,969
Current Liabilities			
Short Term Borrowings	10	177,160,586	109,806,697
Trade Payables	11	537,724,830	644,108,093
Other Current Liabilities	12	16,026,404	3,498,344
Short Term Provisions	13	23,773,022	12,730,111
		754,684,842	770,143,245
		1,922,672,836	1,764,157,236
Assets			
Non Current Assets			
Fixed Assets			
	14		
Tangible Assets		382,697,246	43,465,511
Intangible Assets		167,749,379	111,781,975
Capital Work in Progress		275,567,889	144,989,069
Long Term Loans and Advances	15	9,732,459	-
Non Current Investments	16	100,500,000	427,650,000
Other Non-Current Assets	17	7,108,551	2,671,000
		943,355,523	730,557,554
Current Assets			
Inventories	18	107,315,694	55,656,569
Trade Receivables	19	582,230,888	703,027,821
Cash and Bank Balances	20	21,263,757	18,798,541
Short Term Loans and Advances	21	268,018,600	256,067,982
Other Current Assets	22	488,372	48,768
		979,317,312	1,033,599,681
		1,922,672,836	1,764,157,236

Significant Accounting Policies 2

The accompanying notes are forming integral part of the Financial Statement.

As per our report of even date

For LKM & Co.
Chartered Accountant
Firm Registration Number - 126823W

For and on behalf of the Board of Directors of
Birla Shloka Edutech Limited

sd/-
(Laxmikant Malpani)
Proprietor
Membership Number - 106989

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(N. Srikrishna)
Managing Director

Place : Mumbai
Date : 29th May, 2012

sd/-
(Tushar Dey)
Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary

**Consolidated Statement of Profit and Loss For the Year Ended March 31, 2012**

		Amount in INR	
Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from Operations		2,464,823,459	1,864,947,457
II. Other Income		6,791,605	14,723,910
III. Total Revenue (I + II)		<u>2,471,615,064</u>	<u>1,879,671,367</u>
IV. Expenses:			
Changes in Inventories (Finished Goods, Work-in-Progress)	23	(103,059,966)	(51,464,621)
Purchases		2,364,406,808	1,772,338,274
Employee Benefits Expenses	24	27,517,812	17,333,017
Finance Costs	25	28,264,127	7,459,471
Depreciation and Amortization Expense	14	44,668,800	59,619,894
Administration Expenses	26	35,445,133	17,048,362
Total Expenses		<u>2,397,242,714</u>	<u>1,822,334,397</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		74,372,350	57,336,970
VI. Exceptional items and Extraordinary Items		-	-
VII. Profit before Tax		74,372,350	57,336,970
VIII. Tax Expenses:			
(1) Current Tax		12,801,137	11,814,000
Add : MAT Credit Entitled		350,863	-
		<u>13,152,000</u>	<u>11,814,000</u>
(2) Deferred Tax		7,727,421	(1,581,824)
(3) For Earlier Years		-	1,443,559
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)		<u>53,492,929</u>	<u>45,661,235</u>
X. Minority Interest		(525,682)	-
XI. Preacquisition Profit / (Loss) on Acquisition of Subsidiary		(5,881,082)	-
XII. Profit/(Loss) for the year carried to Balance Sheet		<u>59,899,692</u>	<u>45,661,235</u>
XIII. Earnings per Equity Share:			
Basic		3.05	2.61
Diluted		2.89	2.47
XIV. Net Profit considered for Calculation of Earning per Share		53,492,929	45,661,235
XV. Number of Shares taken for Calculation of EPS			
Basic		17,524,165	17,524,165
Diluted		18,521,576	18,521,576
Significant Accounting Policies	2		
The accompanying notes are forming integral part of the Financial Statement.			

As per our report of even date

For LKM & Co.
Chartered Accountant
Firm Registration Number - 126823W

For and on behalf of the Board of Directors of
Birla Shloka Edutech Limited

sd/-
(Laxmikant Malpani)
Proprietor
Membership Number - 106989

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(N. Srikrishna)
Managing Director

Place : Mumbai
Date : 29th May, 2012

sd/-
(Tushar Dey)
Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary

**Consolidated Cash Flow Statement for the Year Ended 31st March, 2012**

Particulars	Amount in INR	
	Year Ended March 31, 2012	Year Ended March 31, 2011
Cash Flow from Operating Activities		
Net Profit Before Taxation	74,372,350	57,336,970
Adjustment for :		
Depreciation and Amortization	44,668,800	59,619,894
Loss on Written Off of Fixed Assets	595,558	-
Gratuity and Leave Encashment	2,241,695	42,981
Profit on Sale of Assets	(12,607)	-
Interest and Other Financial Charges	28,264,127	7,459,471
Interest Income	(136,831)	(9,750,546)
Operating Profit Before Working Capital Changes	149,993,092	114,708,770
Working Capital Changes:		
Trade & Other Receivable	103,969,160	(226,325,480)
Inventories	(51,659,125)	(51,464,621)
Trade Payables and Other Liabilities	(93,194,309)	205,035,119
Tax Paid	(3,200,000)	(9,082,057)
Net Cash From Operating Activities	105,908,818	32,871,731
Cash Flow from Investing Activities		
Fixed Assets	(571,050,816)	(182,051,883)
Long Term Loans and Advances	(9,732,459)	-
Sale of Fixed Assets	21,105	-
Investments	327,150,000	(428,070,508)
Fixed Depsot with Banks having maturity more than 3 months	(2,025,698)	(351,656)
Interest on Loan granted	136,831	9,750,546
Net Cash from Investing Activities	(255,501,038)	(600,723,501)
Cash Flow from Financing Activities		
Deposit Refund from Stock Exchange Board of India	3,480,000	-
Proceeds from Borrowings (Net)	121,786,687	(19,327,689)
Minority Interest	47,148,096	-
Preacquisition Loss of Subsidiary Purchased (forming part of Profit before Tax for the Year)	5,881,082	-
Proceeds from Issue of Share Capital	-	79,920,370
Proceeds from Issue of Share Warrants	-	16,955,987
Proceeds from Share Premium Account	-	409,534,741
Interest and other Financial Charges	(28,264,127)	(7,459,471)
Net Cash from Financing Activities	150,031,738	479,623,938
Net Increase in Cash & Cash Equivalents	439,518	(88,227,832)
Cash & Cash Equivalents As at Beginning of Year	18,446,885	106,674,717
Cash & Cash Equivalents As at End of the Year	18,886,403	18,446,885

The accompanying notes are forming integral part of the Financial Statement.

As per our report of even date

For LKM & Co.
Chartered Accountant
Firm Registration Number - 126823W

For and on behalf of the Board of Directors of
Birla Shloka Edutech Limited

sd/-
(Laxmikant Malpani)
Proprietor
Membership Number - 106989

sd/-
(Mohandas Shenoy Adige)
Director

sd/-
(N. Srikrishna)
Managing Director

Place : Mumbai
Date : 29th May, 2012

sd/-
(Tushar Dey)
Director

sd/-
(Vijay Mishra)
V P Finance & Company Secretary



Notes forming part of the Consolidated Balance Sheet & Statement of Profit and Loss for the Year Ended 31 March, 2012.

1. Company Overview

Birla Shloka Edutech Limited (the Company) has been incorporated on 25th May, 1992 (Registration Number 066910) with Registrar of Mumbai as Rathi Mercantile Industries Limited. Company got its name as Birla Shloka Edutech Limited in December 2008. The Registered Office of the Company is situated at Industry House, 159, Churchgate Reclamation, Mumbai, Maharashtra 400 020.

Company is engaged in providing IT Services and sale of IT products and has a curriculum based educational software programme viz, XL@school as per the Syllabus prescribed by different educational boards that is designed to impart academic knowledge through electronic media.

The Company has authorised capital of Rs. 100,00,00,000/- and Paid up Capital of Rs. 20,94,56,370/-. The Company has listed its Shares on Bombay Stock Exchange (BSE), Mumbai. The Company has two subsidiaries Birla Shloka Edutech Limited FZE and Birla Edutech Limited engaged in Development of Educational Curriculum and operations of own and franchised K12 School.

2. Significant Accounting Policies

a. Basis of Preparation

The Consolidated Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The Financial Statements of the subsidiary used in the consolidation are drawn upto the same reporting dates as that of the Parent company i.e. March 31, 2012.

b. Use of Estimates

The preparation of the Financial Statements of Parent Company and Subsidiary are in conformity with Indian Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. 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. Annual Technical Services revenue and revenue from fixed price maintenance contracts are recognized ratably over the period in which services are rendered.

Profit on sale of is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Lease rentals are recognized ratably on a straight line basis over the lease term. Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Provision and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

e. Fixed Assets - Tangible and Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization.

**f. Depreciation and Amortization**

Depreciation on Tangible Assets is provided on the Written down Value Method over the useful lives of assets estimated by the Management.

Intangible assets are amortized over their respective individual estimated useful lives on the basis of Future Economic benefits derived from that Particular Asset.

g. 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.

h. Inventories

Inventories includes the Finished Goods available for Sale and Work in Progress. Value of Inventories includes the Cost of Procuring Goods and Services, Development Cost, Borrowing Cost (if permitted by AS-16 - "Borrowing Cost") and any other expenditure incurred in relation to the inventory necessary to bring that in the Present and Saleable Condition.

Inventory are valued using First in First Out basis as suggested by Accounting Standard - 2.

i. Borrowing Cost

Borrowing Cost is generally and ordinarily charged to the Statement of Profit and Loss for the respective year of which that Cost belongs except the Borrowing Cost incurred in relation to acquisition and Construction of Fixed Assets and Inventory which take substantial period of time to get ready for its intended use.

j. Employee Benefits

i. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii. Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

k. Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

l. Foreign Currency Transactions

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction and the liability is translated to the Exchange Rate in effect on the Balance Sheet Date and any gain or loss on such translation is charge to Statement of Profit and Loss. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

m. Provision for Current and Deferred Tax

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) credit is recognized 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. paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on



the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

n. Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment

p. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

q. Miscellaneous Expenditure

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

r. Segment Reporting

Company operates in two Geographical Segment viz, India and United Arab Emirates and accordingly the segment report is given.

3. Principles of Consolidation

i. Consolidated Financial Statements relate to Birla Shloka Edutech Limited (BSEL, the Parent Company) and its subsidiary companies has been prepared in accordance with the *Accounting Standard (AS) 21 'Consolidated Financial Statements'*, and have been combined on a Line - by - Line basis by adding together the Book Value of like items of Assets, Liabilities, Income and Expenses, after Fully Eliminating Intra- Group Balances, Intra Group Transactions and the Unrealized Gains and / or Losses

ii. The Financial Statements have been Consolidated using *Uniform Accounting Policies* for like transactions and other events in Similar Circumstances.

iii. Minority Interest is Presented Separately from Liabilities or Assets and Equity of Parent Shareholders in the Consolidated Balance Sheet. Minority Interest in the Statement of Profit and Loss Account is Separately Presented.

iv. Foreign Subsidiary:

Translation of Financial Statements of Foreign Subsidiary is done as under in accordance with Accounting Standard (AS) 11 (Revised)

on 'The Effect of Changes in Foreign Exchange Rates', considering its Foreign Subsidiary as Non - Integral Foreign Operations :

All the items of Income and Expenses during the Year are translated at Closing Rate. All the Monetary and Non - Monetary Assets and Liabilities are translated at Closing Rate. Resulting Exchange difference is transfer to Statement of Profit and Loss.

v. Consolidation Cash Flow has been prepared on the basis of Consolidated Financial Statement of Financial Year 2010 - 2011 (Consolidation of Holding Company 'Birla Shloka Edutech Limited' and Subsidiary 'Birla Shloka Edutech Limited - FZE') and Financial Year 2011 - 2012 (Consolidation of Holding Company 'Birla Shloka Edutech Limited' and Subsidiaries 'Birla Shloka Edutech Limited - FZE' and 'Birla Edutech Limited' later is purchased during the Year on 06th February, 2012).



	31-Mar-12	31-Mar-11
4 SHARE CAPITAL		
Authorised Capital :		
100,000,000 Equity Shares of Rs 10/- each (31st March, 2011 : 100,000,000)	1,000,000,000	1,000,000,000
Total	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up Capital :		
2,09,45,637 Equity Shares of Rs 10/- each (31st March, 2011 : 2,09,45,637)	209,456,370	209,456,370
Total	209,456,370	209,456,370
a. Reconciliation of the share outstanding at the beginning and at the end of the reporting period		
Equity Shares		
Outstanding at the beginning of the Period	20,945,637	12,953,600
Issued during the Year		
i. 69,94,625 Equity Shares of Rs.10/- each were issued at a consideration of Rs. 65.25 and represented by GDR	-	6,994,625
ii. 9,97,412 Equity Shares are issued against the conversion of Share Warrants, at a price of Rs. 68/- each	-	997,412
Outstanding at the end of the Period	20,945,637	20,945,637
b. Terms and Rights attached to Equity Shares		
The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.		
c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates		
Company does not have any Holding Company.		
d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:		
No Shares are issued for consideration other than Cash or Bonus during last five years.		
e. Details of shareholders holding more than 5% shares in the company		
Godavari Corporation Private Limited	2,129,780	10.17%
Nirved Traders Private Limited	1,705,292	8.14%
5 Reserves and surplus		
Securities Premium		
Opening Balance	662,380,982	252,846,241
Add : Addition during the Year	-	-
i. 69,94,625 Equity Shares of Rs.10/- each represented by GDR were issued at a consideration of Rs. 65.25, Security Premium of Rs. 55.25 each	-	386,453,031
ii. 9,97,412 Equity Shares are issued against the conversion of Share Warrants, at a price of Rs. 68/- each, Security Premium of Rs. 58 each	-	57,849,896
iii. Security Deposit Received from Stock Exchange earlier charge to Security Premium Account	3,480,000	-
Less : Utilisation during the Year	-	-
iv. Issue Expenses pertaining to FPO	-	(2,548)
v. Issue Expenses pertaining to GDR	-	(34,647,813)
vi. Issue Expenses pertaining to Share Warrants	-	(117,825)
Closing Balance	665,860,982	662,380,982
Statement of Profit and Loss		
Opening Balance	102,187,682	56,526,447
Add : Profit / (Loss) During the Year	59,899,692	45,661,235
Closing Balance	162,087,375	102,187,682
	827,948,357	764,568,664



	31-Mar-12	31-Mar-11
6 Money Received against Share Warrants		
9,97,411 Share Warrants are issued towards preferential allotment, at a price of Rs. 68/- each, Security Premium of Rs. 58 each and Rs. 17/- paid up	16,955,987	16,955,987
	<u>16,955,987</u>	<u>16,955,987</u>
7 Long Term Borrowings		
Term Loan from Banks		
The Catholic Syriyan Bank	91,149,315	-
(Company has obtained Term Loan from Catholic Syrian Bank Limited - Vile Parle, Mumbai Branch during the Year and loan is secured by the Exclusive Charge on Present and Future Fixed Assets of the Company)		
Less : Maturity within one Year (Short Term Borrowing)	41,149,315	-
	50,000,000	-
Vehicle Loan from Banks		
Bank of India	204,832	463,490
Less : Maturity within one Year (Short Term Borrowing)	204,832	258,658
	-	204,832
Vehicle Loan from Others		
Tata Capital Limited	161,287	238,527
Less : Maturity within one Year (Short Term Borrowing)	97,371	77,240
	63,917	161,287
(The above Vehicle Loans are secured by the First Charge on Vehicles)		
Public Deposit	5,284,000	-
Less : Maturity within one Year (Short Term Borrowing)	549,000	-
	4,735,000	-
	<u>54,798,917</u>	<u>366,119</u>
The above amount includes:		
Secured Borrowing	50,063,917	366,119
Unsecured Borrowing	4,735,000	-
	<u>54,798,917</u>	<u>366,119</u>
8. Deferred Tax Liabilities (Net)		
On Account of Timing Difference in Charging Depreciation as per Companies Act, 1956 and allowability under Income Tax Act, 1961	21,424,160	18,203,119
On Account of Timing Difference in Allowability and Charging of Preliminary Expenses incurred in connection with Initial Public Offer (IPO) and Global Depository Receipt (GDR) as per Companies Act, 1956 and Income Tax Act, 1961	(10,756,737)	(15,806,817)
On Account of Timing Difference in Allowability and Charging of Gratuity and Leave Encashment payable to Employees. As per Income Tax Act, 1961 Gratuity and Leave Encashment is allowed as Expenses on Payment basis and as per Companies Act, 1956 the same is charged to Statement of Profit and Loss in the Year of Service Rendered.	(543,699)	-
	<u>10,123,723</u>	<u>2,396,302</u>
9 Long Term Provisions		
Provision for Post Employment Benefits		
Provision for Gratuity	1,361,663	270,548
Less : Provide for Current Services	15,367	-
	<u>1,346,296</u>	<u>270,548</u>
Leave Encashment	1,046,024	-
Less : Provide for Current Services	310,093	-
	<u>735,931</u>	<u>-</u>
	<u>2,082,226</u>	<u>270,548</u>



	31-Mar-12	31-Mar-11
10 Short Term Borrowings		
Cash Credit sanctioned from Bank (Secured)		
The Catholic Syriyan Bank	94,040,085	96,726,622
(Cash Credit of the Company is secured by the Equitable Mortgage of Office Premises and Hypothecation of Book Debts)		
Interest Free Loan (received from related party payable on demand)	41,119,984	12,744,177
Long Term Borrowing Payable within a Year		
Term Loan from Banks		
The Catholic Syriyan Bank	41,149,315	-
Vehicle Loan from Banks		
Bank of India	204,832	258,658
Vehicle Loan from Other		
Tata Capital Limited	97,371	77,240
Public Deposit	549,000	
	<u>177,160,586</u>	<u>109,806,697</u>
The above amount includes:		
Secured Borrowing	135,491,602	97,062,520
Unsecured Borrowing	41,668,984	12,744,177
	<u>177,160,586</u>	<u>109,806,697</u>
11 Trade payables		
Unsecured and Considered Good		
Due to Micro and Small Enterprises		-
Others	537,724,830	644,108,093
	<u>537,724,830</u>	<u>644,108,093</u>
12 Other Current Liabilities		
Advance from Customers	5,462,119	562,054
Duties and Taxes		
Tax Deduction at Source	1,351,905	57,781
Service Tax	8,140,582	2,211,119
Contribution to Employee benefit Statutory Fund and Professional Tax	4,762	2,560
Value Added Tax and Central Sales Tax	(2,011,711)	(1,494,027)
Deposit Received	2,622,000	2,050,000
Other Liabilities		
Payable to Employees	456,748	108,857
	<u>16,026,404</u>	<u>3,498,344</u>
13 Short Term Provisions		
Provision for Income Tax		
Assessment Year 2005-2006	1,032	1,032
Assessment Year 2006-2007	-	6,338
Assessment Year 2007-2008	-	8,670
Assessment Year 2010-2011	8,593,349	11,793,349
Assessment Year 2011-2012	12,749,137	-
Public Issue Refund Payable	-	8,000
Provision for Expenses	2,104,043	912,722
Provision for Gratuity for Current Services	15,367	-
Provision for Leave Encashment for Current Services	310,093	
Total	<u>23,773,022</u>	<u>12,730,111</u>



14 Fixed Assets, Depreciation and Amortisation

Sr. No.	Description of Asset	Gross Block				Depreciation				Net Block		
		As on 01-April-2011	Additions	Deletions	As on 31-March-2012	As on 01-April-2011	Provided for the Year	Adjusted	As on 31-March-2012	As on 31-March-2012	As on 31-March-2011	
1	TANGIBLE ASSETS											
a.	Office Building	48,053,895	-	14,200	48,039,695	10,653,617	2,645,806	8,807	13,290,615	34,749,080	32,389,994	
b.	Shop Building	5,669,000	-	-	5,669,000	2,413,225	325,578	-	2,738,802	2,930,198	3,255,775	
c.	Computer Systems	22,614,609	990,612	-	23,605,221	16,759,499	2,547,925	-	19,307,424	4,297,797	2,847,973	
d.	Furniture & Fixtures	9,290,890	-	-	9,290,890	3,857,460	1,340,191	-	5,197,651	4,083,239	829,495	
e.	Office Equipments	8,333,876	146,422	1,585,561	6,894,737	2,448,274	844,051	986,897	2,305,428	4,589,309	3,130,509	
f.	Vehicles	1,656,936	-	-	1,656,936	645,172	261,946	-	907,118	749,818	1,011,764	
g.	Land	331,287,805	-	-	331,287,805	-	-	-	-	331,287,805	-	
	Subtotal - Tangible Assets	426,907,011	1,137,034	1,599,761	426,444,284	36,777,246	7,965,496	995,704	43,747,038	382,697,246	43,465,511	
2	INTANGIBLE ASSETS											
a.	Computer Software (Content)	30,889,014	5,289,715	-	36,178,729	5,821,167	3,035,756	-	8,856,923	27,321,806	25,067,847	
b.	Computer Software (Other)	152,443,617	61,000,000	-	213,443,617	69,110,363	33,667,548	-	102,777,911	110,665,706	83,333,254	
c.	Goodwill	3,380,874	-	-	3,380,874	-	-	-	-	3,380,874	3,380,874	
d.	Goodwill on Consolidation as per Accounting Standard - 21	-	26,380,993	-	26,380,993	-	-	-	-	26,380,993	-	
	Subtotal - Intangible Assets	186,713,505	92,670,708	-	279,384,213	74,931,530	36,703,304	-	111,694,835	167,749,379	111,781,975	
3	Capital Work in Progress											
a.	WIP XI @ school (Vidopasana)	5,289,715	5,073,297	5,289,715	5,073,297	-	-	-	-	5,073,297	5,289,715	
b.	WIP - Tribal Project (Maharashtra)	139,699,354	52,139,500	-	191,838,854	-	-	-	-	191,838,854	139,699,354	
c.	Other Capital Work in Progress	-	-	-	78,655,738	-	-	-	-	78,655,738	-	
	Subtotal - Intangible Assets	144,989,069	57,212,797	5,289,715	275,567,889	-	-	-	-	275,567,889	144,989,069	
	Grand Total [(1)+(2)+(3)]	758,609,585	151,020,539	6,889,476	981,396,386	111,708,777	44,668,800	995,704	155,381,873	825,014,513	300,236,554	
	Previous Year	224,090,820	187,464,403	5,412,520	406,142,703	46,286,255	59,619,894	-	105,906,149	300,236,554	-	
	Note :- Capital Work in Progress includes Capital Advances given.											

Opening of Gross Block and Accumulated Depreciation consist of Closing Gross Block and Accumulated Depreciation of the Company as on 31st March, 2011 and



	31-Mar-12	31-Mar-11
15 Long Term Loans and Advances		
Security Deposit (Unsecured Considered Good)	9,638,730	
Advance Tax Including Tax Deducted at Source	93,729	
	<u>9,732,459</u>	<u>-</u>
16 Non Current Investments		
Others		
Enn Vee Holdings Private Limited	100,500,000	100,500,000
Birla Edutech Limited - Share Application Money Pending Allotment	-	327,150,000
	<u>100,500,000</u>	<u>427,650,000</u>
17 Other Non Current Assets		
Security Deposits Given		
Security Deposit - Guest House	250,000	250,000
Security Deposit - Office	1,800,000	1,800,000
Tender Deposits	2,760,000	560,000
Sundry Deposits	61,000	61,000
Capital Advance	2,237,550	
	<u>7,108,551</u>	<u>2,671,000</u>
18 Inventories		
(Verified and Valued by Management)		
Finished Goods and Work in Progress	107,315,694	55,656,569
	<u>107,315,694</u>	<u>55,656,569</u>
19 Trade Receivables		
More than Six Months - Considered Good	35,451,138	10,048,645
Others	546,779,750	692,979,176
	<u>582,230,888</u>	<u>703,027,821</u>
The above amount includes:		
Related Party covered under section 301	10,557,270	10,048,645
Others	571,673,618	692,979,176
	<u>582,230,888</u>	<u>703,027,821</u>
(It is the policy of the Company to provide the Provision for doubtful debts as and when the Debtors is considered as Unrealizable and the collectability is not certain).		
20 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in Hand	1,636,309	867
Cash at Bank		
Axis Bank Limited	19,827	32,132
Axis Bank Limited - Deposit	4,360,301	-
Bank of India 1	1,627,405	1,047,317
Bank of India 2	529,501	
State Bank of India	234,255	689,717
The Catholic Syrian Bank Limited	20,978	57,777
Yes Bank Limited	77,354	405,886
ADCB - AED A/C No.769451244001	71,538	345,856
ADCB - USD A/C No.769451248001	308,935	-
Cheques in Hand	-	366,745
Fixed Deposit		
The Catholic Syrian Bank Limited	10,000,000	15,500,588
	(A) <u>18,886,403</u>	<u>18,446,885</u>
Other Bank Balances		
Fixed Deposit		
Bank of India	2,377,354	351,656
(Company has kept the deposit of Rs. 377,354/- as lien for obtaining Bank Guarantee in favour of Tribal Department of Maharashtra from Bank of India).		
	(B) <u>2,377,354</u>	<u>351,656</u>
Total	<u>21,263,757</u>	<u>18,798,541</u>



	31-Mar-12	31-Mar-11
21 Short Term Loans and Advances		
Advances recoverable in cash or in Kind		
Loans and Advances to Related Parties	100,295,543	115,886,110
Loans and Advances to Others	144,913,500	118,625,000
<i>(None of the above loan is carrying any Interest Income and in view of the Management all the Loans are recoverable in cash or in Kind and relates to the business of the Company).</i>		
(A)	245,209,043	234,511,110
Other Loans and Advances		
Income Tax paid and Tax Deducted at Source	9,683,902	5,395,683
MAT Credit Entitlement	7,271,713	7,622,576
Prepaid Expenses	1,021,712	8,086,115
Loan to Employees	1,031,258	452,497
Security Deposit	2,700,000	-
Advance to Supplier	1,100,971	-
(B)	22,809,556	21,556,872
Total (A+B)	268,018,600	256,067,982
Other Current Assets		
Advance to Creditors	97,918	48,768
Interest Receivable	45,847	-
Others Receivable	344,607	-
	488,372	48,768
22 Other Income		
Rent	5,432,700	4,756,000
Interest	136,831	9,750,546
Foreign Exchange Gain	89,480	-
Profit on sale of Assets	12,607	-
Miscellaneous Income	1,119,987	217,364
Total	6,791,605	14,723,910
23 Changes in Inventories of Finished Goods, Work-in-Progress		
Opening Stock	56,395,228	4,191,948
Less :Capitalised during the Year	52,139,500	-
Less:Closing stock	107,315,694	55,656,569
Change in Stock	(103,059,966)	(51,464,621)
<i>(During the Year Company has capitalised Rs. 5,21,39,500 of its Inventory forming part of Opening Stock as "WIP - Tribal Project" under the group "Capital Work in Progress" at Cost)</i>		
24 Employee benefits expense		
Salary and Other Allowances	24,422,037	16,362,959
Post Employment Benefit	2,850,710	732,749
Short Term Employment Benefit	245,065	237,309
	27,517,812	17,333,017
25 Finance Cost		
Interest	27,540,377	6,186,274
Bank charges	101,420	163,017
Loan Processing Charges	622,330	1,110,180
Total	28,264,127	7,459,471



	31-Mar-12	31-Mar-11
26 Administration expenses		
Rent	4,813,400	3,838,500
Electricity	912,320	858,794
Communication	934,652	590,705
Listing Fee	162,297	239,250
Professional Fee	12,732,296	6,889,503
Audit Fee	460,000	281,000
Charity and Donation	3,500,000	110,000
Travelling and Conveyance	3,085,549	1,990,047
Director Sitting Fee	150,000	176,000
Loss on Assets written off	595,558	-
Other Administration Expenses	8,099,061	2,074,563
	35,445,133	17,048,362
27 Cash and Cash Equivalents		
Cash in Hand	1,636,309	867
Cash at Bank	7,250,094	2,945,430
Fixed Deposit with Banks (having maturity less than 90 Days)	10,000,000	15,500,588
	18,886,403	18,446,885

28 Gratuity and Other Post Employment 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.

Statement of Profit and Loss

Net Employee benefit expense recognized in employee cost

Current Service Cost	371,073	238,136
Interest Cost on Benefit Obligation	22,320	34,006
Expected return on Planned Assets	-	-
Net actuarial (Gain) / Loss	728,876	(243,548)
Past Service Cost	-	-
Net benefit expense	1,122,269	28,594

Balance Sheet

Details of Provision for gratuity

Defined Benefit Obligation	1,361,663	270,548
Fair value of Planned Assets	-	-
Amount recognized in the balance sheet	1,361,663	270,548

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

Opening defined benefit obligation	270,548	425,069
Interest Cost	22,320	34,006
Current Service Cost	371,073	238,136
Benefits paid	31,154	183,115
Actuarial (Gains) / Losses on obligation	728,876	(243,548)
Closing defined benefit obligation	1,361,663	270,548

Changes in the fair value of plan assets are:

The company does not fund the gratuity 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:

Future Salary Rise	6.00%	6.00%
Rate of Discounting	8.50%	8.25%
Attrition Rate	2.00%	2.00%

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.

29 Previous Year figures have been regrouped wherever consider necessary for better presentation of Financial Statement and to make comparable with Year's Financial Statement.

30 Contingent Liabilities

- Company has to pay part of the Self Assessment Tax for the Financial Year 2010 - 2011. Interest on the same is provided however, penalty under section 221 of the Income Tax Act, 1961 can be levied by the Department of Income Tax.
- Company has obtained the Bank Guarantee for the Government Department from Bank of India aggregating to Rs. 3.00 Lacs Company has provided the Fixed Deposit as security for obtaining the same amounting to Rs. 377,354 (31st March, 2011 - Rs. 351,656/-)

**31 Segment Reporting**

(Figures in italic represents previous year's figures)

Particulars	Birla Shloka Edutech Limited		
	India	UAE	Total
Geographical Segment			
Segment Revenue	2,248,300,292	223,314,772	2,471,615,064
Income From Segment	1,922,213,742	8,922,246	1,931,135,988
Less : Intersegment Sales Elimination	-	-	-
	-	-	-
	2,248,300,292	223,314,772	2,471,615,064
	1,922,213,742	8,922,246	1,931,135,988
Segment Results			
Profit/(Loss) before Tax and Interest from Segment	87,642,931	14,993,546	102,636,477
	63,569,702	116,559	63,686,261
Less : Intersegment Profit Elimination	-	-	-
	-	-	-
Less : Finance Cost	28,200,984	63,143	28,264,127
	6,344,361	4,931	6,349,292
Total Profit of Segment before Tax	59,441,946	14,930,403	74,372,350
	57,225,341	111,628	57,336,969
Provision for Tax	20,879,421	-	20,879,421
	11,675,735	-	11,675,735
Total Profit of Segment After Tax	38,562,525	14,930,403	53,492,929
	45,549,606	111,628	45,661,234
Capital Employed			
Segment Assets	1,905,417,759	17,255,077	1,922,672,836
Segment Liabilities	819,897,170	1,792,538	821,689,709
Net Assets	1,085,520,588	15,462,539	1,100,983,127

32 Goodwill on Purchase of Subsidiary

Total Share Capital	377,450,000
Total Preacquisition Profit/(Loss) of Subsidiary	(30,437,126)
Total Preacquisition Network of Subsidiary	347,012,874
Interest of Holding Company (in %)	86.67%
Interest of Holding Company preacquisition Network	300,769,007
Consideration Paid	327,150,000
Goodwill	26,380,993

33 Minority Interest

Total Share Capital of Subsidiary	377,450,000
Total Pre and Post acquisition Profit/(Loss) of Subsidiary	(19,560,556)
Less: Profit earned on sale of Asset by Subsidiary	8,151,164
Add: Profit earned by Holding Company (Minority Entitle to share)	115,200
	349,853,480
Interest of Holding Company (in %)	13.33%
Minority Interest	46,622,414

34 Related Party Transaction**i. List of Parties****a. Key Management Personnel**

Mr. Yashovardhan Birla – Chairman

Mr. Srikrishna Nidigallu – Managing Director

**b. Enterprises Owned or Significantly Influenced by Key Management Personnel or their Relatives**

Birla Electrical Limited
 Birla Global Corporate Limited
 Birla Infrastructure Private Limited
 Birla Power Solutions Private Limited
 Birla Precision Technologies Limited
 Birla Surya Limited
 Birla Transasia Carpets Limited
 Birla Viking Travels Limited
 Dagger Forst Tools Limited
 Godavari Corporation Limited
 Melstar Information Technologies Limited
 Nirved Traders Limited
 Scimitar Investment & Trading Company Private Limited
 Shearson Investment & Trading Company Private Limited
 Zenith Birla India Limited

ii. Related Party Transactions:

	Particulars	Transactions during the Year
Key Management Personnel	Salary	3,224,582
Enterprises owned or significantly influenced by key management personnel or their relatives	Interest Paid	(159,781)
	Reimbursement of Expenses from Group Companies	14,122,512
	Reimbursement of expenses to Group Co	(6,647,991)
	Rent Paid	9,954,387
	Loan & Advances granted	123,250,000
	Loan & Advances taken/Recovered	(28,850,000)

Sr. No.	Name of the Companies	Relation	Balance Outstanding
1	Birla Global Corporate Ltd.	Company Registered under Same Management	1,497,918
2	Godavari Corporation Ltd.	Company Registered under Same Management	(18,619,984)
3	Nirved Traders Pvt. Limited	Company Registered under Same Management	1,721,725
4	Shearson Investment & Trading Co	Company Registered under Same Management	11,293,799
5	Zenith Birla India Ltd.	Company Registered under Same Management	7,674,041
6	Birla Power Solutions Ltd.	Company Registered under Same Management	52,646,016
7	Birla Surya Ltd	Company Registered under Same Management	105,606
8	Birla Cotsyn India Limited	Company Registered under Same Management	4,863,425
9	Birla Viking Travels Ltd.	Company Registered under Same Management	(119,317)

BIRLA SHLOKA EDUTECH LIMITED

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

Please complete this attendance slip and hand over at the entrance of the meeting hall

DP ID _____ Folio No: _____

Client ID _____

Name and Address of reholder _____

No of shares held _____

I hereby record my presence at the Twentieth Annual General Meeting of the Company held on Thursday 20th September, 2012 at 3.30 pm at Hall of Culture, Discovery of India Building, Nehru Center, Dr. Annie Besant road, Worli, Mumbai 400 018

Signature of Shareholder/Proxy

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 Twentieth Annual General Meeting of the Company to be held on Thursday, 20th September, 2012 at 3.30 pm.

For Office Use only

Proxy No.

Ledger Folio No.

No. of shares

Signature _____

Re.1/-
Revenue
Stamp

Note: The proxy form duly completed must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.



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Ph: 022-33067777