

**BOARD OF DIRECTORS:**

- |  |                   |
|--|-------------------|
| 1. Shri Yashovardhan Birla                                 | Chairman          |
| 2. Shri Mohandas Shenoy Adige                              | Director          |
| 3. Shri Girdharilal Lath<br>(Resigned w.e.f. 6/8/2014)     | Managing Director |
| 4. Shri Ramprakash Mishra<br>(Appointed w.e.f 12/02/2014)  | Director          |
| 5. Shri Ashish Mahendrakar<br>(Appointed w.e.f. 24/6/2014) | Director          |
| 6. Shri Jignesh Mehta<br>(Resigned w.e.f 12/2/2014)        | Director          |

**COMPANY SECRETARY & COMPLIANCE OFFICER:**

CS Vineet Tripathi

**AUDITORS:**

M/s Jaiprakash Upadhyay & 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

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# NOTICE OF 22<sup>ND</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of Birla Shloka Edutech Limited will be held on Saturday, 27<sup>th</sup> September, 2014 at 11.00 A.M. at Gopi Birla Memorial School, 68, Walkeshwar Road, Malabar Hill, Mumbai – 400006, to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To re-appoint M/s. JAIPRAKASH UPADHYAY & Co., Chartered Accountants, Mumbai (Firm registration no. 125073W) as Statutory Auditors of the Company who hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting to be held after this meeting and to fix their remuneration and to pass the following resolution thereof :

“RESOLVED THAT pursuant to the provisions of Sections 139, of the Companies Act, 2013 and the Rules made there -under, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. JAIPRAKASH UPADHYAY & Co., Chartered Accountants, Mumbai (Firm registration no. 125073W) be and is hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

## **SPECIAL BUSINESS:**

To consider and if thought fit to pass, with or without modification(s), the following resolutions:

3. Appointment of Shri Ashish Mahendrakar.: (**Ordinary Resolution**)

“RESOLVED THAT pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) Shri Ashish Mahendrakar (**DIN 03584695**) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the Office of director , be and is hereby appointed as director of the Company.

4. Appointment of Shri Ashish Mahendrakar as Managing Director of the company (**Special Resolution**)

**“RESOLVED THAT** as per the recommendation of the Remuneration Committee and pursuant to the provisions of Sections 196 197 and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded for the appointment of **SHRI ASHISH MAHENDRAKAR** (Din: 03584695) as Managing Director of the Company for a period of **3** years with effect from **07.08.2014 to 06.08.2017** on the remuneration and perquisites and terms and conditions as set out in the statement annexed to the Notice convening this meeting with a liberty to the Board of directors (hereinafter referred to as Board which term shall deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to **Shri Ashish Mahendrakar** subject to the same not exceeding the limits specified under schedule V to the Companies Act 2013 or any statutory modification(s) or re-enactment thereof.

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

5. To appoint Shri Ramprakash Murlidhar Mishra (DIN: 00228438) as an Independent Director. (**Ordinary Resolution**)

**“RESOLVED THAT** pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act,2013, (the Act) **Shri Ramprakash Murlidhar Mishra ( DIN 00228438)** who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the Office of director, be and is hereby appointed as an Independent director of the Company and shall hold office for a term of **5 years w.e.f 27.09.2014.**”

6. To appoint Shri Mohandas Shenoy Adige (**DIN 00280925**) as an **Independent Director**.  
(**Ordinary Resolution**)

**RESOLVED THAT** pursuant to Section 149,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Shri Mohandas Shenoy Adige (DIN 00280925)**, non executive director of the Company, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as an Independent director of the Company and shall hold office for a term of 5 years **w.e.f 27.09.2014**.

**Place: Mumbai**  
**Date: 25-08-2014**

**By Order of the Board**  
**For BIRLA SHLOKA EDUTECH LIMITED**  
**Sd/-**  
**VINEET TRIPATHI**  
**Company Secretary**

**Notes:**

1. A member entitled to attend and vote at the annual general meeting (the meeting) is entitled to appoint proxy/proxies to attend and vote instead of himself and the proxy/proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.  
The instrument appointing a proxy duly completed and signed should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A proxy form is sent herewith.
2. The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
3. The ISIN of the Equity Shares of 10/- each is INE 814E01018
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.

6. Members who hold shares in dematerialized form are requested to write their Client ID and DP 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.
7. Members desirous of making nomination as permitted under Section 72 of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH-13, which can be procured from the Registrar and Share Transfer Agent M/s Big Share Private Limited (RTA). The Members holding shares in demat form may contact their respective depository participants for such nominations.
8. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s Big Share Private Limited (RTA), for consolidation into a single folio.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 20<sup>th</sup>, 2014 to Saturday, September 27<sup>th</sup>, 2014 (both days inclusive)**, in connection with the Annual General Meeting of the company.
10. As per the General Exemption granted by the Central Government vide the General Circular No. 2/2011 dated 8.2.2011, copy of Balance Sheet, Statement of Profit and Loss, and Report of the Board of Directors and the Report of the Auditors of the Subsidiary Company is not attached with the Annual Report of the Company. However, the Annual Reports of the Subsidiary Company is available for inspection at the Registered Office of the Company to any Member of the Company. Further the Company will make available these documents to any Member upon request.
11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the Members the facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting(AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL. Details and Instructions for E-voting are enclosed along with the Notice.

**13. Voting through electronic means:**

In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system, the Company is pleased to provide facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to

provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is compulsory as directed by the Securities and Exchange Board of India (SEBI). The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period:

**Commencement of e-voting: From 9.00 A.M. on Sunday, September 21<sup>st</sup>, 2014**

**End of e-voting: Upto 6.00 P.M. on Tuesday, September 23<sup>rd</sup>, 2014**

**E Voting shall not be allowed beyond 6.00 P.M. on Tuesday, September 23<sup>rd</sup>, 2014.**

During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off-date (record date) may cast their vote electronically.

**Cut-off-date (Record date):** The cut-off-date (record date) for the purpose of e-voting is **22<sup>nd</sup> August, 2014**. The complete process, manner and instructions for e-voting is being sent to the members along with copy of the notice.

The Company has appointed Shri Praful Sanghani, of M/s. P. Sanghani & Co., Practicing Chartered Accountant, Mumbai, as ‘scrutinizer’ (the “Scrutinizer”), for conducting the e-voting process for the Annual General Meeting of the company in a fair and transparent manner. The Scrutinizer shall within a period not exceeding Three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Results shall be declared at the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.birlashloka.com](http://www.birlashloka.com) and on the website of CDSL within two (2) Days of passing of the resolutions at the AGM of the Company and communicated to the respective Stock Exchanges. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Company’s website [www.birlashloka.com](http://www.birlashloka.com) will be uploaded with the above documents well before the mandatory period and the copies of the aforesaid documents will be available for inspection at the Registered Office of the Company also.

**Place: Mumbai**  
**Date: 25-08-2014**

**By Order of the Board**  
**For BIRLA SHLOKA EDUTECH LIMITED**  
**Sd/-**  
**VINEET TRIPATHI**  
**Company Secretary**



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

### **Item no. 3 & 4:**

The Board of Directors of the Company in their meeting held on **24.06 2014** appointed Shri Ashish Mahendrakar as an additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and as per the provisions of Articles of Association of the Company.

Being an Additional Director of the Company, he holds office up to the date of this Annual General Meeting. The Company has received a notice along with a deposit in terms of Section 160 of the Companies Act, 1956, from a member, proposing the candidature of Shri Ashish Mahendrakar for the office of Director of the Company.

Further, in the Board Meeting held on 08.08.2014 and as per the resolution passed by the remuneration Committee in their meeting held on 08.08.2014, Mr. Ashish Mahendrakar was appointed as Managing Director of the Company, with effect from 07.08.2014 for a period of 3 years, subject to the approval of shareholders.

In terms of provisions of the Articles of Association, Shri Ashish Mahendrakar shall not be liable to retirement by rotation till he continues to hold such office. The terms and conditions of the appointment are as under:

Shri Ashish Mahendrakar : Managing Director

Period 3 (three) years i.e. 07.08.2014 to 06.08.2017

As Managing Director, Shri Ashish Mahendrakar shall be responsible for the company's business affair as entrusted to him subject to the direction, supervision and control of the Board of Directors.

**I. Remuneration:** Shri Ashish Mahendrakar shall be entitled to a salary, perquisites, allowances & benefits not exceeding Rs. 1310424/- per annum.

**Minimum Remuneration:** Notwithstanding anything herein contained, where in any financial year, during the currency of the tenure of Mr. Ashish Mahendrakar as Managing Director of the Company, if the Company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites as specified above accordance with Schedule V of the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force.

**II. Leave:** The Managing Director shall be eligible for leave as per Rules of the Company.



The Company's contribution to the Provident Fund, Superannuation Fund (or other benefit permissible in lieu thereof) or annuity fund will be as per the rules of the Company.

Gratuity payable in accordance with the gratuity Scheme of the Company.

**Note:** For the purpose of perquisites stated above, family means the spouse, the dependent children and dependent parents of the appointee.

The perquisites indicated in **Category-II** shall not be included in computation of the ceiling on remuneration specified in **Category-I** of this section.

**Disentitlements:** The Managing Director shall not be entitled for sitting fees for attending meetings of the Board of Directors or Committees thereof.

Shri Ashish Mahendrakar as long as continues to be Managing Director of the Company shall not be liable to retire by rotation. The Board recommends the resolution as set out in Item No. 3 and 4 of the Notice for Members' approval. Shri Ashish Mahendrakar is concerned or interested in the Resolution of the accompanying Notice relating to his own appointment. No other director is concerned and interested in the said resolution.

**Additional General Information:** Additional Information as required in accordance with the provisions of Schedule V is given hereunder –

- A. Nature of industry – Educational
- B. Date of commencement commercial production – The Company was incorporated on 25<sup>th</sup> May, 1992 as a private company and is in operation since then. However, the present activities were commenced in the year 2008-2009.
- C. Financial performance of last 3 years based on given indicators - As per the audited financial results for the year ended 31-03-2014:

PARTICULARS	AS ON 31.03.2014	AS ON 31.03.2013	AS ON 31.03.2012
	Rupees in Lakhs	Rupees in Lakhs	Rupees in Lakhs
Total Income	6507.37	22,520.04	22,392.09
Total Expenditure	6016.30	21,059.53	21,068.11
Interest & Financial Charges	415.51	404.86	281.62
Profit/(Loss) before Tax and Depreciation	75.56	1,055.65	1,042.35

Less: Depreciation	817.46	540.15	408.21
<b>Profit/(Loss) Before Tax</b>	<b>(741.90)</b>	<b>515.50</b>	<b>634.14</b>
Less: Provision for Taxation			
Current MAT	-	105.00	127.49
Less: MAT Credit Entitlement	-	(33.30)	3.51
Deferred Tax	(394.30)	(61.68)	77.27
Earlier year Expenses	-	0.21	-
<b>Profit/(Loss) After Tax</b>	<b>(328.38)</b>	<b>505.28</b>	<b>425.87</b>
Add:- Balance brought forward from last Year	1951.91	1,446.63	1,020.76
Add:- Transfer from Amalgamation Reserve Account	-		
<b>Balance Carried to Balance Sheet</b>	<b>1623.53</b>	<b>1,951.91</b>	<b>1,446.63</b>
Earnings Per Share	(1.57)	2.41	2.03

**D. Net foreign exchange earnings of the company during the past 3 years:**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>
Total foreign Exchange earnings	—	—	—
Total Foreign Exchange outgo	—	—	—

**E. Background Details:**

Shri Ashish Mahendrakar has done his MASTER IN MANAGEMENT STUDIES (1997) (MMS) also he is having DIPLOMA IN BUSINESS MANAGEMENT. Shri Ashish Mahendrakar has vast experience and expertise over 22 years in finance, banking, Accounts and corporate management. He is presently a Director on the Boards of Yes Birla Group Companies.

F. Past remuneration drawn by Shri Ashish Mahendrakar as Managing Director

<b>Particulars</b>	<b>Rupees</b>
Basic Salary	N.A
Company's contribution to PF/FPF	
Other perks	
Total	

G. Job profile and suitability: Shri Ashish Mahendrakar is responsible for the overall conduct and management of business and affairs of the Company. This includes development of domestic and international business providing strategic direction to business units of the Company. Review of software services being rendered and prevailing competition, enhancement of efficiencies and rationalization of the cost. This coupled with his strong resource management capability and knowledge makes him fully suitable for the position. Considering his qualifications and expertise in overall management functions, he is competent to carry on the responsibilities presently entrusted to him by the Board of Directors.

H. Remuneration Proposed – Salary, perquisites, allowances & benefits not exceeding Rs. 13,10,424 per annum.

I. Taking into consideration the size of the Company, the profile of the appointee, the responsibility shouldered by him and the industry benchmarks, the proposed remuneration is reasonable and competitively lower with the remuneration packages paid by other companies to similar senior level appointees. The minimum remuneration proposed as above has been approved by the Remuneration Committee and Board of Directors in their meeting held on 08.08.2014.

J. Disclosure on pecuniary relationships directly or indirectly with the Co. or relationship with the managerial personnel if any: Shri Ashish Mahendrakar does not have any other pecuniary relationship with the Company and its managerial personnel, directly or indirectly.

In the event of loss or inadequate profits, Shri Ashish Mahendrakar shall be entitled to receive remuneration as indicated in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013. The approval for his appointment as Managing Director is sought by way of a Special Resolution as required under Schedule V to the Act. The terms of appointment of Shri Ashish Mahendrakar as set forth in this notice, may be treated as the abstract under Section 190 of the Companies Act, 2013.

K. Reason for loss or inadequacy of profits / steps taken or proposed to be taken for improvement: The main reasons are decrease in sales due to extreme competition, pressure on margins and non-renewal of some major contracts having good margin and ultimately drop in profits of the company. The Company is focusing on its core competencies and using sometimes-outsourced technology service providers to help improve productivity, develop new products, reduce business risks and manage the operations more effectively.

- L. Expected increase in revenues and profits in measurable terms: In the competitive environment, it is difficult to estimate revenues /profits in measurable terms. However, the management has framed strategies and developed execution plans to improve profitability by checking the losses. Curtailing costs and other operational expenses, maximizing use of existing offshore infrastructure facilities, expansion of client base, etc will continue to receive aggressive attention and the management is confident of reasonable increase in revenues and profits during the coming years.
- M. **Disclosure:** Shri Ashish Mahendrakar does not hold any interest in the capital of the Company. Further Mr. Vijay Mishra does not have any other direct or indirect interest nor is he related to any other directors or promoters of the Company at any time during the last two years before or on the date of appointment.

#### ITEM NO. 5:

The Company has pursuant to Section 161(1) of the Companies Act, 2013 appointed Shri Ramprakash Murlidhar Mishra as an Additional Director of the Company with effect from 12.02 2014 who holds office up to the ensuing Annual General Meeting and being eligible offers himself for appointment. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of appointment of Shri Ramprakash Murlidhar Mishra for the office of Director of the Company.

Shri Ramprakash Murlidhar Mishra has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. The matter regarding appointment of Shri Ramprakash Murlidhar Mishra as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Directors for a term of 5 years w.e.f 27.09.2014 In the opinion of the Board, Shri Ramprakash Murlidhar Mishra fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

The terms and conditions of appointment of Shri Ramprakash Murlidhar Mishra shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the Board recommends the resolution as set out in Item No. 5 of the Notice for Members' approval. Shri Ramprakash Murlidhar Mishra is concerned or interested in the Resolution of the accompanying Notice relating to his own appointment. No other director is concerned and interested in the said resolution.

#### ITEM NO. 6:

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Shri Mohandas Shenoy Adige as Independent Director at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The matter regarding appointment of Shri Mohandas Shenoy Adige as Independent Director was placed before the Nomination & Remuneration Committee, which commends their appointment as Independent Directors for a term of 5 years w.e.f 27.09.2014

Shri Mohandas Shenoy Adige Non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Shri Mohandas Shenoy Adige fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

The terms and conditions of appointment of above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. In compliance with the provisions of Section 149 read with Schedule IV of the Act the Board recommends the resolution as set out in Item No. 6 of the Notice for Members' approval. Shri Mohandas Shenoy Adige is concerned or interested in the Resolution of the accompanying Notice relating to his own appointment. No other director is concerned and interested in the said resolution.

**A brief profile of the Directors to be appointed is given below:**

**Shri Ashish Mahendrakar**

Shri Ashish Mahendrakar has done his MASTER IN MANAGEMENT STUDIES (1997) (MMS) also he is having DIPLOMA IN BUSINESS MANAGEMENT. Shri Ashish Mahendrakar has vast experience and expertise over 22 years in finance, banking, Accounts and corporate management. He is presently a Director on the Boards of Yes birla Group Companies. He is not having any shares of the company.

**Shri Ramprakash Murlidhar Mishra**

Shri Ram Prakash Mishra is a B.SC., LL.M. & Qualified Company Secretary. Having broad expanse of experience and qualifications in Law, enabled him to efficiently handle his divergent duties while ensuring all compliances. A seasoned professional, Shri Mishra utilizes expert judgment and creativity in the analysis of complex issues involving people and data from multiple sources. Reflecting professionalism, experience, integrity, commitment and perseverance, Shri Mishra is always looking for innovative ways to continue growing and expanding with an organization. Shri R.M.Mishra has over 30 years experience in banking/finance industries.He is also member of the Board of M/s Melstar Technologies Limited as Independent Director. He is not having any shares of the company.

### **Shri Mohandas Shenoy Adige**

Shri Mohandas Shenoy Adige is a Non-Executive Independent Director of the Company Has 43 years of cross functional experience in metal industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of regional council of Confederation of Indian Industry (CII), All India Management Association, Bombay Management Association. Specialist in revival and turn around of ailing units through re-engineering and re-organisation.

**Place: Mumbai**  
**Date: 25-08-2014**

**By Order of the Board**  
**For BIRLA SHLOKA EDUTECH LIMITED**  
**Sd/-**  
**VINEET TRIPATHI**  
**Company Secretary**

## **E-VOTING INSTRUCTIONS**

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:** Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (i) Click on “Shareholders” tab.
- (ii) Now, select the Birla Shloka Edutech Limited from the drop down menu and click on “SUBMIT”
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>• In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in</li></ul>

	CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN 140902092 for the Birla Shloka Edutech Limited on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on **9.00 A.M. on Sunday, September 21<sup>st</sup>, 2014** and ends on **6.00 P.M. on Tuesday, September 23<sup>rd</sup>, 2014**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the **CUT-OFF-DATE 22<sup>nd</sup> August, 2014** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Place: Mumbai**  
**Date: 25-08-2014**

**By Order of the Board**  
**For BIRLA SHLOKA EDUTECH LIMITED**  
**Sd/-**  
**VINEET TRIPATHI**  
**Company Secretary**

# DIRECTORS' REPORT

The Members

Your Company's Directors are pleased to present the 22<sup>nd</sup> Annual Report of the Company, along with Audited Accounts, for the financial year ended 31st March, 2014.

## 1. FINANCIAL RESULTS :

<b>PARTICULARS</b>	<b>AS ON 31.03.2014</b>	<b>AS ON 31.03.2013</b>
	<b>Rupees in Lakhs</b>	<b>Rupees in Lakhs</b>
Total Income	6507.37	22,520.04
Total Expenditure	6016.30	21,059.53
Interest & Financial Charges	415.51	404.86
Profit/(Loss) before Tax and Depreciation	75.56	1,055.65
Less: Depreciation	817.46	540.15
<b>Profit/(Loss) Before Tax</b>	<b>(741.90)</b>	<b>515.50</b>
Less: Provision for Taxation		
Current MAT	-	105.00
Less: MAT Credit Entitlement	-	(33.30)
Deferred Tax	(394.30)	(61.68)
Earlier year Expenses	-	0.21
<b>Profit/(Loss) After Tax</b>	<b>(328.38)</b>	<b>505.28</b>
Add:- Balance brought forward from last Year	1951.91	1,446.63
Add:- Transfer from Amalgamation Reserve Account	-	
<b>Balance Carried to Balance Sheet</b>	<b>1623.53</b>	<b>1,951.91</b>
Earnings Per Share	(1.57)	2.41

## 2. OPERATIONS:

The total sales of the Company for the financial year ended on 31st March, 2014 were Rs. 6507.37 Lakhs as against Rs. 22,520.04 Lakhs during the last financial year ended on 31st March, 2013. The Consolidated sales stood at Rs. 1057.82 Lakhs against Rs. 27,936.72 Lakhs during the preceding year.

## 3. DIVIDEND:

In order to preserve funds for future activities, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2014.

## 4. SUBSIDIARY COMPANY:

The Company has three subsidiaries i.e.

- A. Birla Edutech Limited.
- B. Wholly-owned foreign subsidiary, viz. Birla Shloka Edutech Ltd.FZE.
- C. Ojus Healthcare private Limited

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

<b>Particular</b>	<b>Birla Edutech Limited (Amount in INR)</b>	<b>Birla Shloka Edutech Limited – FZE (Amount in Dirham / INR)</b>	<b>Ojus Healthcare Private limited (Amount in INR)</b>
<b>Country of Incorporation</b>	India	United Arab Emirates	India
<b>Total Capital Employed</b>	43,30,77,504	3,947,812/7,22,16,123	3,82,06,775
<b>Profit After Tax for the year</b>	(18,57,460)	4,82,625/75,04,819	6,63,575
<b>Total Assets</b>	50,47,34,727	51,64,802/8,41,86,273	5,48,69,477
<b>Interest of Holding Company (in %)</b>	86.96%	100%	51.10%

## 5. FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES:

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 08<sup>th</sup> 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 Consoli9dated Financial Statements includes the financial information of the Subsidiary.

## **6. 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.

## **7. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- (iii) they 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) they have prepared the annual accounts on a going concern basis.

## **8. PUBLIC DEPOSITS:**

As on 31st March, 2014, the Company has fixed deposit of Rs.9,61,55,000. There are no unpaid deposits payable as of 31st March 2014. Also, there is no default in payment of interest and Repayment of matured Deposit.

## **9. 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 (Particular of Employees) Amendment Rules, 2011.

## **10. DIRECTORS:**

The board, at its meeting held on 24<sup>th</sup> June 2014 appointed Shri Ashish Mahendrakar as an Additional Director of the Company with effect from 24<sup>th</sup> June, 2014 pursuant to provisions of Section 161 of the Companies Act, 2013 to hold office upto the date of ensuing AGM.

Further, the Board at its meeting held on 8<sup>th</sup> August, 2014, appointed (subject to approval of members in General Meeting), Shri Ashish Mahendrakar as a Managing Director of the company for a period of three years commencing from 7<sup>th</sup> August, 2014.

Shri Ramprakash Murlidhar Mishra (DIN: 00228438) is a Non-Executive (Independent) Director of the Company. Shri Ramprakash Murlidhar Mishra (DIN: 00228438) retires at the ensuing AGM under the provisions of the Section 161 of the Companies Act, 2013. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Ramprakash Murlidhar Mishra (DIN: 00228438) being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years.

Shri Mohandas Shenoy Adige (DIN: 00280925) is a Non-Executive (Independent) Director of the Company. Shri Mohandas Shenoy Adige (DIN: 00280925) retires by rotation at the ensuing AGM under the provisions of the Companies Act, 2013. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Mohandas Shenoy Adige (DIN: 00280925) being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years.

Brief resume of the Directors proposed to be appointed, nature of their expertise in specific functional areas and names of the Companies in which they hold the directorship and membership/chairmanship of committees of the Board, as well as their shareholding 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.

Shri Girdharilal Lath, Managing Director of the company has resigned from the Board with effect from 6th August, 2014 and Shri Jignesh Mehta resigned as a Director of the Company with effect from 12/02/2014.

The Directors place on records their sincere appreciation for the valuable contribution made by Shri Girdharilal Lath during his tenure as Managing Director and by Shri Jignesh Mehta during their tenure as Director of the Company.

## **11. Company Secretary & Compliance Officer:**

Shri Amit Pal has resigned w.e.f. 13/06/2014 and Shri Vineet Tripathi has been appointed as the Company secretary & Compliance Officer w.e.f. 24/06/2014.

## **12. AUDITORS & AUDITORS REPORT:**

M/s. JAIPRAKASH UPADHYAY & Co., Chartered Accountants, Mumbai (Firm registration no. 125073W), 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. JAIPRAKASH UPADHYAY & Co., Chartered Accountants, Mumbai (Firm registration no. 125073W) to the effect that their appointment, if made, would be within the prescribed limits under provisions of the Act, and that they are not disqualified for such appointment.

*The Auditors in the Auditor's Report on the Consolidated Financial Statement for the year 2013-2014, has made an observation with respect to the investment in associate made during the year and previous year, valued at the historical cost in the financial statements of the Company, no*

*adjustment have been made in the Consolidated Financial Statements as at 31<sup>st</sup> March, 2014 as the financial statements of the associate were not available.*

Management Response – The **action and steps are being taken** to account the investment in associate, in Consolidated Financial Statement, in accordance with the Accounting Standard (AS) 23 “Accounting for Investments in Associates in Consolidated Financial Statement” issued by The Institute of Chartered Accountants of India and make **necessary** adjustment to the carrying value of the investment in associate accordingly.

*The Auditors in the annexure to the audit report have made an observation with respect to the Public Deposit of Rs. 15,000/- accepted by the company that company has complied all the provisions and rules except the rule framed regarding the maintenance of liquid assets by the Companies (Acceptance of Deposit) Rules,1975, where the company has not maintained the liquidity as prescribed in the rule for repayment of deposit*

Management Response - The Company had maintained the liquidity as prescribed in the rules however the same was not in the prescribed form as laid down in the Companies (Acceptance of Deposit) Rules 1975.

The Company undertakes to maintain the liquidity in prescribed form as laid down in the Companies (Acceptance of Deposit) Rules 1975.

### **13. 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.

### **14. 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.

### **15. 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:

<b>Particulars</b>	<b>2012-2013</b>	<b>2011-2012</b>
Total foreign Exchange earnings	—	—
Total Foreign Exchange outgo	—	—

**16. MEASURES FOR PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:**

The Company pursuant to the section 4 of the sexual Harassment of Women at work place (Prevention, prohibition and Redressal) Act 2013 and Rules made there under had constituted the Internal Complaints Committee to lodge complaints if any. During the year no complaint was lodged.

**17. ACKNOWLEDGEMENTS:**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support during the year.

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

**Place:** Mumbai

**Yashovardhan Birla**

**Date:** 25<sup>th</sup> August, 2014

**SD/-**

**Chairman**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

**(i) Industry Structure and development**

Your directors are glad to inform you that various developments have been made by the Company in educational software. The educational software developed by the Company has been installed in various schools during the year 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, E-Governance and Building and operating Schools.

**(ii) Opportunities and Threats**

With recent developments in the economy and strict 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 schools is growing and opportunities are available in this space. Retails opportunities are available by way of sale of software contents to the end customer directly.

The threats faced by the software sector is stiff competition from leading corporate groups and due to stiff competition the visibility and profitability of projects dilutes.

**(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 and tremendous growth opportunities in the coming year.

➤ **ICT projects availed from School Educational Department, Government of Maharashtra**

As already reported in previous year the School Education Department, Maharashtra along with DES & HS had invited various reputed and experienced organizations/ Institutes for the supply of Computer and connected accessories, Education software's, Online M.I.S., teaching faculty and provision of IT Education Services in 5000 Government Secondary and Higher Secondary schools in 10 groups (i.e. 10 regions) from the districts of the State of Maharashtra as specified in DTN for a period of five years through e tender.

The proposed project is about setting up of computer laboratories in Secondary and Higher Secondary schools all across the state of Maharashtra. It has been decided that a region wise implementation is to be done for the same and a representative number of schools have been chosen from the regions created. The following table provides the details of the regions created along with the number of schools chosen for the project in the respective regions.

The Company has been awarded with the project for providing Computer and connected accessories, Education software's, Online M.I.S., teaching faculty and provision of IT Education Services to **850 Government Secondary and Higher Secondary schools** for a period of **five years**. **The Total Value of the Project is Rs. 152 Cr.** The ICT Solutions provided by the Company under this project will be on BOOT (Build Own Operate Transfer) model and will be transferred to the respective school(s) at the end of the tenure of Contract at an agreed price of Re. 1. Further we are under process of signing of MOU for implementation of ICT project in Tamilnadu amounting **Rs. 359 Crore**.

➤ **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.

➤ **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.

➤ **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.

➤ **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. .

**(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 adequate internal control systems to safeguard the assets of the Company and to conduct checks on the maintenance of accounting records. 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.6363.16 Lakhs during the year 2013-14. 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 highly cordial during the year. The Company provides training to all the levels of employees of the Company in various departments towards development of their skills .The workforce of the Company including workers, staffs and executive were 74 during the year under review.

**(ix) Quality**

The company believes that quality employees are key to success. Clearing the quality tests has been made mandatory for continued employment and promotions. New and improved appraisals systems and motivation policies has been introduced during the year to maintain high quality standards.

**(x) 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.

FOR BIRLA SHLOKA EDUTECH LIMITED

Place: Mumbai  
Date: 25/08/2013

Sd/-  
**Ashish Mahendrakar**  
Managing Director

## Report on Corporate Governance

### Company's Philosophy

The Company considers Corporate Governance as an important process for conducting and managing its business activities in a transparent and visible manner in the interest of all its stakeholders, besides keeping important segments of the society adequately informed. Birla Shloka Edutech Limited (BSEL) adopted good corporate practices all through its existence and oriented its actions in consonance with them. It has been the endeavour of BSEL to give fair and equitable treatment to all its stakeholders including employees, customers and shareholders as also to comply with applicable rules and regulations.

### Board of Directors

As on 08. 08. 2014, the Board of Directors has 4 (four) Members, out of which Chairman is Non Executive Director, 2 are Non Executive and Independent Directors and 1 Executive Director.

The Board of Directors in their meeting held on 24.06.2014 appointed Mr. Ashish Mahendrakar as additional Director. The Board of Directors in their meeting held on 08.08.2014 appointed Mr. Ashish Mahendrakar as Managing Director with effect from 07.08.2014.

The Composition of the Directors as is as under :

Name	Designation	Category of Directorship	No. of Directorships in other Companies as on 31.03.2014		Committee Member-ships (Excl. BSEL)	Committee Chairman -ships (excluding member ships given in column 4)
1	2	3	4		5	6
			Other Listed Company	Unlisted Limited, Pvt.Ltd.Co., Foreign Co.		

Mr. Yashovardhan Birla	Director and Promoter	Non-Executive	9	5	-	-
Mr. M. S. Adige	Director	Non-Executive, Independent Director	7	2	5	1
Mr. G L Lath (upto 06.08.2014)	Managing Director	Non-Executive	6	11	-	-
Mr R M Mishra W e f 12.02.2014	Director	Non-Executive, Independent Director	1	-	1	-
Mr Ashish Mahendrakar w.e.f. 07.08.2014	Managing Director	Executive Director	—	2	—	—

### Board Meetings

In conformity with the provisions of section 173 of the Companies Act, 2013 (erstwhile Companies Act, 1956) and other applicable provisions if any, as well as the Company's Articles, the Board met at regular intervals to review the quarterly / annual results and to transact other business. The Agenda for the Board meetings, containing relevant matters as requisite, are distributed in advance to all the Board members.

The Board met 5 times during the year ended 31-03- 2014 viz. on 30 -05-2013, 12-08-2013, 29-08-2013, 13-11-2013 and 12-02-2014. The following table gives the attendance record of the Directors at the Board and Annual General Meeting.

**Details of Board meetings are as under.**

Sr. No	Name	No. of Board Meetings held	No. of Meetings Attended	Attendance at the last AGM held on 20-09-2013
1	Mr. Yashovardhan Birla	5	5	No
2	Mr. M. S. Adige	5	5	Yes
3	Mr Anoj Menon (upto 30.05.2013)	—	—	—
4	Mr. Tushar Dey (upto 29/8/2013)	5	2	Yes
5	Mr. G L Lath (upto 6/8/2014)	5	5	No
6	Mr. Jignesh Mehta (upto 12/2/2014)	5	4	Yes
7	Mr R M Mishra (w e f 12.02.2014)	5	N A	N A
8	Mr Ashish Mahendrakar w.e.f. 07.08.2014	—	—	—

1. None of the directors is related to any other director.
2. None of the directors received any loans or advances from the Company during the year.
3. None of the Directors holds Directorship in more than **10** Public Limited Companies, nor membership in more than **10** committees, nor chairmanship in more than **5** committees across all companies in which he is/was a Director. Since Remuneration Committee is non – mandatory, membership in Remuneration Committee has not been considered for this purpose.

Apart from receiving sitting fee, the Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management, its subsidiaries and associates, which may affect independence of the director.

**Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement):**

Name of the director	Date of birth	Qualifications	Date of appointment	Expertise in specific functional area	List of other directorship Excluding foreign companies private companies section 25 of the Companies act 1956	Chairman /member of the Board of other companies in which director	Company's shares held
Mohandas S Adige	07.11.1944	B. Sc ME)	23.06.2009	45 years of experience in the finance sector. He has worked as part of the Top Management with various companies over a span of 16 years in the capacity of managing Director, Director, CEO, Advisor, prior to joining the Yash Birla Group	Nagpur Power & Industries Limited  Artefact Projects Limited  Birla Precision Technologies Limited  Faiz Super Alloys Private Limited  Birla Shloka Edutech Limited  Birla Energy Infra Limited  The Motwane Manufacturing Company Private Limited  Facor Steels Limited  Birla Edutech limited	9	Nil
Ramprakash Mishra	05.05.1955	F C S	12.02.2014	Shri Ram Prakash Mishra is a B.SC., LL.M. & Qualified Company Secretary  Having broad expanse of experience and qualifications in Law, enabled him to efficiently handle his divergent duties while ensuring all compliances.  A seasoned professional, Shri Mishra utilizes expert judgment and creativity in the analysis of complex issues involving people and data from multiple sources.  Reflecting professionalism,	Birla Shloka Edutech Limited	1	NIL



				<p>experience, integrity, commitment and perseverance, Shri Mishra is always looking for innovative ways to continue growing and expanding with an organization.</p> <p>Shri R.M.Mishra has over 30 years experience in banking/finance industries.</p>			
Mr. Ashish Mahendrakar	20/06/1971	<b>MASTER IN MANAGEMENT STUDIES</b> <b>DIPLOMA IN BUSINESS MANAGEMENT</b>	24/06/2014	<p>Shri Ashish Mahendrakar is responsible for the overall conduct and management of business and affairs of the Company. This includes overall development of business of the company, providing strategic direction to business units of the Company. Review of services being rendered, enhancement of efficiencies and rationalization of the cost. This coupled with his strong resource management capability and knowledge of Education industry makes him fully suitable for the position. Considering his qualifications and expertise in overall management functions, he is competent to carry on the responsibilities presently entrusted to him by the Board of Directors.</p>	IndoAsean Oceanic Exports Private Limited Birla Electricals Limited	-	-

Note: Only two Committee namely, Audit Committee and Shareholders/ Investor Grievance Committee have been considered.

## **COMMITTEES OF THE BOARD**

### **(a) AUDIT COMMITTEE**

**Terms of Reference:** The terms of reference, role and scope of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013 such as overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements reflect a true and fair position and that adequate and credible information is disclosed as also recommending to the Board appointment / reappointment of Statutory Auditors, recommending and approving the remuneration paid to Statutory Auditors, reviewing with the management, quarterly and annual financial statements, internal audit reports and controls of the company. The Committee generally meet on the day of the Board meeting, except when otherwise considered expedient.

**Meetings and attendance during the year:** During the year under report, four meetings of the Committee were held, viz. on 30-5-2013, 12-08-2013, 13-11-2013 and 12-02-2014. The composition of the Audit Committee for the year ended 31<sup>st</sup> March, 2014 and the attendance at the meetings is as under:

<b>Sr. No.</b>	<b>Name</b>	<b>Title</b>	<b>Status</b>	<b>No. of Meetings held during the year</b>	<b>No. of Meetings Attended</b>
1	Mr. M. S. Adige	Chairman	Independent and Non-Executive Director	4	4
2	Mr. Tushar Dey (upto29/08/2013)	Member	Independent and Non-Executive Director	4	2
3	Mr. Jignesh Mehta (upto 12/02/2014)	Member	Independent and Non-Executive Director	4	3
4	Mr. R P Mishra	Member	Independent and Non-Executive Director	4	NA

At its meetings, the Audit Committee reviewed the quarterly and annual financial results before the Board took the same on record. The Committee also reviewed Internal Audit Reports, Internal Control Systems and Procedures and conducted other businesses as requisite and made recommendations to the Board where improvements were deemed necessary to strengthen the same. As a measure of good corporate governance, representatives of Statutory Auditors were regularly invited to the meetings of the Audit Committee and made significant contribution to its deliberations. The minutes of the meetings of the Audit committee are regularly placed before the Board. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee was re-constituted on 29-08-2013 as under:

Sr. No.	Name	Title	Status
1	Mr. M. S. Adige	Chairman	Independent and Non-Executive Director
2	Mr. Jignesh Mehta	Member	Independent and Non-Executive Director
3	Mr. R M Mishra	Member	Independent and Non-Executive Director

The Audit Committee was re-constituted on 12-02-2014 as under:

Sr. No.	Name	Title	Status
1	Mr. M. S. Adige	Chairman	Independent and Non-Executive Director
2	Mr. R M Mishra	Member	Independent and Non-Executive Director

**(b) Investor Grievance and Share Transfer Committee:**

**Broad Terms of Reference:** To examine and redress the complaints and grievances of shareholders of the Company, so as to direct and advise the Registrar & Transfer Agent (RTA) to ensure prompt redressal of complaints and grievances of the shareholders on any issue **relating** to the share transfer activity, to authorise issue of duplicate share certificates, to recommend to the Board appointment / removal of the Registrars and Share Transfer Agents and/or in the remuneration payable to them, etc.

During the year under report the Committee met 3 times, i.e. on 30-5-2013, 12-08-2013, 13-11-2013. The Composition of the Committee for the year ended 31.03.2014 and the attendance at the meetings is as under:

	<b>Name</b>	<b>Title</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1	Mr. M S Adige	Chairman	Independent and Non-Executive Director	3
2	Mr. Tushar Dey upto.29/08/2013	Member	Independent and Non-Executive Director	2
3	Mr. Rajesh Shah	Member	Independent and Non-Executive Director	NA
4	Mr. Jignesh Mehta (upto.12/02/2014)	Member	Independent and Non-Executive Director	3

The Investor Grievance and Share Transfer Committee was re-constituted on 12-02-2014 as under:

	<b>Name</b>	<b>Title</b>	<b>Status</b>
1	Mr. M. S. Adige	Chairman	Independent and Non-Executive Director
3	Mr. R M Mishra	Member	Independent and Non-Executive Director

The Company Secretary acts as the Compliance Officer and has been regularly interacting with the Share Transfer Agents to ensure that the complaints/grievances of the investors are attended to without undue delay and where deemed expedient, the complaints are referred to the Chairman of the Committee or discussed at its meetings. In general, all complaints are attended to within seven days from the date of receipt.

The Company has a dedicated e-mail ID, [companysecretary@shlokaybg.com](mailto:companysecretary@shlokaybg.com) attended by the Secretarial Department to enable the investors to communicate with the Company.

The Company has not received any complaints from members.

**During the year, the Registrar had registered NIL transfers comprising NIL shares and processed NIL requests for dematerialization of shares. There were no valid requests pending for share transfers at the end of the year.”**

**(c) Remuneration Committee (Non-mandatory):**

**Broad Terms of Reference:** The Remuneration committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for Executive Member of the Board and relatives of Directors.

***Remuneration Policy / Criteria with details of Remuneration***

The Remuneration policy of the Company for its Executive Director(s) is guided mainly by the following factors:

- i. Responsibilities shouldered;
- ii. Company / individual performance during the year;
- iii. Practices prevailing in comparable organizations, i.e. competitive structure; and
- iv. Transparent, fair and simple to administer as well as fully legal and tax compliant.

During the year under report the Committee met 2 times, i.e. on 30-05-2013 and 12.02.2014. The Composition of the Committee for the year ended 31.03.2014 and the attendance at the meetings is as under:

	<b>Name</b>	<b>Title</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1	Mr. M S Adige	Chairman	Independent and Non-Executive Director	2
2	Mr. R P Mishra	Member	Independent and Non-Executive Director	1

The Remuneration Committee was re- constituted on 12-02-2014 as under:

	<b>Name</b>	<b>Title</b>	<b>Status</b>
1	Mr. M S Adige	Member	Independent and Non-Executive Director
2	Mr. R M Mishra	Chairman	Independent and Non-Executive Director

Details of remuneration paid to the managerial personnel during the financial year ended 31<sup>st</sup> March 2014:

Name	Designation	Sitting Fee (Rs.)	Salary (Rs.)	Perquisites & other dues (Rs.)	Contribution to Provident Fund and others	Total (Rs.)
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**Non Executive Directors:** A fee of Rs. 5,000/- is being paid to Non-executive Directors for attending each meeting of the Board and the members of the Audit Committee are being paid a fee of Rs. 5,000/- for attending each Audit Committee Meeting. The details of Sitting Fees paid to all Non-Executive Directors for financial year 2013-14 is as follows:

	<b>Name</b>	<b>Designation</b>	<b>Rupee</b>
1	Mr. Yashovardhan Birla	Promoter and Non-Executive Director	Rs. 10,000/-
2	Mr. Tushar Dey	Non-Executive and Independent Director	Rs. 25,000/-
3	Mr. M. S. Adige	Non-Executive and Independent Director	Rs. 45,000/-
4	Mr. R. P. Mishra	Non-Executive and Independent Director	Rs. 5,000/-
5	Mr. Jignesh Mehta	Non-Executive and Independent Director	Rs. 15,000/-

***GENERAL BODY MEETINGS** The Annual General Meetings of the Company held during the previous three years were as under:*

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Special Resolutions transacted</b>
19 <sup>th</sup> AGM: 2010-11	22 <sup>nd</sup> September 2011	3.00 p.m.	M. C. Ghia Hall, 2 <sup>nd</sup> Floor, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001	NIL
20 <sup>th</sup> AGM: 2011-12	20 <sup>th</sup> September 2012	3.30 p.m.	Hall of Culture, Discovery of India Building, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	<ol style="list-style-type: none"> <li>1. Variation In Utilisation of Follow on Public Offer Proceeds As Stated In Prospectus dated 20<sup>th</sup> January 2010.</li> <li>2. Re-appointment of Shri Nidigallu Srikrishna-Executive Director of the Company for further period of 3 years</li> </ol>

21 <sup>st</sup> AGM: 2012-13	27 <sup>th</sup> September, 2013	3.30 p.m.	Hall of Culture, Discovery of India Building, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai – 400018	<ol style="list-style-type: none"> <li>1. Appointment of G. L. Lath as a Managing Director of the Company</li> <li>2. Issuance of Equity Share Warrants of the Company to Promoters on Preferential Basis</li> </ol>
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## **DISCLOSURES ON RELATED PARTY TRANSACTIONS**

No materially significant related party transactions were entered by the Company with its promoters or directors, which could be deemed to be potentially conflicting with the interests of the Company. There were some transactions with related parties in the ordinary course of business of the Company. The register of contracts contains details of transaction in which directors are interested and the same is placed before the meeting of the Board.

## **SUBSIDIARY COMPANY**

The Company has 2 Subsidiary Company. The minutes of the subsidiary(s) are placed before the Board of Directors of the Company and the same were reviewed.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There was no reported case of levy of any penalties, or imposition of strictures on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets during the last three years.

## **RISK MANAGEMENT**

A risk management policy is in place, wherein key risks are categorised and assessed in terms of probability and its likely impact on the Company's business which are evaluated and report of the same are placed before the Board for review.

## ***MEANS OF COMMUNICATION***

The Company regularly publishes its quarterly, half-yearly and annual results in due time in National and Regional Daily newspapers (Business Standard and Mahanayak) in compliance with requirements. These are also displayed on Company's website [www.birlashloka.com](http://www.birlashloka.com) No presentation was made to analyst during the financial year under report.

The Management Discussion and Analysis Report appended elsewhere and forms integral part of the Annual Report.



## OTHERS

A firm of Chartered Accountants/Company Secretaries periodically carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit reports confirm that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### *General Shareholder Information*

#### **Annual General Meeting**

Day, date and time of Annual general meeting	Saturday	27.09.2014	11.00 A M	Gopi Birla Memorial School, 68, Walkeshwar Road, Malabar Hills, Mumbai – 400006
Dates of book closure	From Saturday 20 <sup>th</sup> September, 2014 to Saturday 27 <sup>th</sup> September, 2014 (both days inclusive)			

**Special Resolutions:** Proposed one Special Resolution at the above-mentioned Annual General Meeting

**Resolutions Passed by Postal Ballot:** No resolution was passed by Postal Ballot during the year 2013-14

#### **Financial Calendar:**

- 1) First Quarter Results: On or before 14<sup>th</sup> August
- 2) Second Quarter / Half yearly Results: On or before 14<sup>th</sup> November
- 3) Third Quarter results: On or before 14<sup>th</sup> February.
- 4) Fourth Quarter / Audited Annual Results: On or before 30<sup>th</sup> May

#### **Stock Exchanges on which Company's shares are listed:**

Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
<b>Code: 511607</b>	

The Company has been regular in paying the Listing Fees to the Stock Exchanges. Listing Fees for the year 2014-15 have also been paid.

**Registrar and Share Transfer Agent:** The complete address of Registrar and Share Transfer Agent for communication is as follows:

<p><b>M/s Bigshare Services Private Limited</b>  E-2/3, Ansa Industrial Estate  Sakivihar Road, Andheri (E)  Mumbai-400 072  Tel: 022-40430200  Fax: 022-28475207</p>	<p><b>Dematerialization of Shares and Liquidity:</b> All shares of the Company are under compulsory dematerialization for delivery on sale / purchase. As at 31.03.2014, the number of shares of the Company in demat form stood at 97.81 share representing 20487277 of shares issued by the Company. Considering the advantages of trading in demat form, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.</p>
	<p>Demat ISIN Number allotted to company's shares by NSDL and CDSL is: <b>INE814E01018.</b></p>

### *Share Transfer System*

The Shares lodged for transfers and dematerialization are processed by the Registrar and Share Transfer Agent on a weekly basis and generally registered and returned within a period of two weeks from the date of receipt, if the documents are complete in all respects.

The Company has been obtaining half yearly certificates from a Company Secretary in Practice within 15 days from the close of the relevant period with regard to compliance of share transfer formalities as per the requirement of clause 47(c) of the Listing Agreement of the stock exchanges, where the securities of the company are listed.

### **Market price data:**

High / Low during each month and performance in comparison to BSE Sensex / BSE IT Index during the financial year ended 31.03.2014:

	<b>Birla Shloka Edutech Ltd (BSEL)</b>		<b>BSE</b>
<b>Month</b>	<b>BSEL High (Rs.)</b>	<b>BSEL Low(Rs.)</b>	
April 2012	5.15	4.00	19504.18
May 2012	5.89	3.42	19760.30
June 2012	5.49	3.22	19395.81
July 2012	4.13	3.05	19345.70
August 2012	3.23	2.62	18619.72
September 2012	4.25	2.88	19379.77
October 2012	3.94	2.80	21164.52
November 2012	5.68	3.08	20791.93
December 2012	5.34	3.73	21170.68
January 2013	4.64	3.65	20513.85
February 2013	4.13	2.85	21120.12
March 2013	3.59	2.43	22386.27

**DISTRIBUTION OF SHAREHOLDING AS AT 31<sup>st</sup> March, 2014**

<b>Shareholding of Nominal value of Rs.</b>	<b>No. of Share holders</b>	<b>% of Total</b>	<b>Shares</b>	<b>% of Total</b>
1 - 500	7806	66.56	17158530	8.19
501 - 1,000	1637	13.96	14010270	6.69
1,001 - 2,000	937	7.99	14912900	7.12
2,001 - 3,000	394	3.36	10295980	4.92
3,001 - 4,000	203	1.73	7377190	3.52
4,001 - 5,000	181	1.54	8629810	4.12

5,001-10,000	294	2.51	22113670	10.56
10,001 and above	276	2.35	114958020	54.88
<b>Total</b>	<b>11728</b>		<b>209456370</b>	<b>100.00</b>

#### Shareholding Pattern as at 31.03.2014

	Category	No. of shares	% of holding
<b>A</b>	<b>Promoters' holding</b>		
1.	Bodies Corporate pursuant to open offer purchase	3555462	19.97
<b>B</b>	<b>Non-Promoters holding</b>		
1.	Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Gov. Institutions)	00	0.00
2.	Private Corporate Bodies	2601060	12.42
3.	Indian Public / HUFs/ Employees	14301931	65.28
4.	NRIs	487184	2.33
5.	Foreign Individuals	00	0.00
	<b>TOTAL</b>	<b>20945637</b>	<b>100.00</b>

**Outstanding GDRs / ADRs, etc.:** The Company has not issued any GDRs or ADRs or any other convertible instruments.

**COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:** The Company has implemented the following non-mandatory requirements recommended under Clause 49 of the Listing Agreement:

- 1. Tenure of Independent Directors** No specific tenure has been specified for the Independent Directors.
- 2. Training of Board Members** The Company has not laid down any Training mechanism for its Directors. However, the Directors on Board are senior professionals of high standing and experience in corporate sector / industry in which the Company operates. They are being kept informed of the business model, growth factors and the risk profile of the Company.
- 3. Mechanism for evaluating Non-Executive Board Members** The Company has not laid down any mechanism for evaluation of contributions of Independent Non-executive Directors.
- 4. Whistle Blower Policy** The company has not laid down a Whistle Blower Policy. However, employees can bring to the notice of the management their concerns on any issues. A “Suggestion Box” is also available in the Company in which employees can deposit in writing their concerns and suggestions even without disclosing their name.

**Declaration on Compliance with the Code of Conduct**

It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood for compliance with the Code of Conduct framed by the Company and confirmations for the year ended **31.03.2014** have been obtained from the Directors and Senior Management Personnel of the Company.

The Code of conduct for Directors and Senior Managers as adopted by the Board has been posted on the web site of the Company ([www.birlashloka.com](http://www.birlashloka.com)).

Address of registered office, subsidiary office and other Indian offices for correspondence:  
Please refer to the first page of the Annual Report.

**FOR BIRLA SHLOKA EDUTECH LIMITED**

**SD/-**

**(ASHISH MAHENDRAKAR)**

**MANAGING DIRECTOR**

Mumbai, 25.08.2014.

## **Independent 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 31<sup>st</sup> March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the companies act, 1956 (“the act”) read with the general circular 15/2013 dt. 13<sup>th</sup> September,2013. Of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013. 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. 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 31<sup>st</sup> March 2014;
- b. In case of the Statement of Profit and Loss, of the loss for the period ended on that date;  
and
- c. In case of the cash flow statement, of the cash flows for the year ended on that date.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
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, and Cash Flow Statement dealt with by this report are in compliance 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 March 31, 2014, we report that none of the Director is disqualified as on March 31, 2014 from being appointed as director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.

**For JAIPRAKASH UPADHAYAY &  
CO.  
Chartered Accountant  
Firm Registration Number - 125073W**

**Sd/-**

**Jaiprakash Upadhayay  
Proprietor  
Membership Number - 116778  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2014.**



## **Annexure to Audit 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 is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- b) As explained to us, the assets have been physically verified by the management in accordance with a phased program of verification of its fixed assets adopted by the Company which, in our opinion, is reasonable, considering the size and the nature of its business. No material discrepancies have been noticed on such physical verification;
- 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;
- c) In our opinion and according to the information and explanations given to us and records produced before us, the company is maintaining proper records of its inventories and no material discrepancy has been observed by the management during the course of verification;

### **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 `5,50,22,127/- and the number of parties involved are 10. For detail refer Note No. 33 of the Notes on Financial Statement; and

- b) Rate of Interest of loan granted and other terms and conditions of the loan are not prejudicial to the interest of the Company except interest still recoverable; and
- c) All the above mentioned loans granted are receivable on demand hence this clause is not applicable; and
- d) Considering the nature of loan granted i.e. receivable on demand, loan can not be overdue and accordingly, this clause is not applicable to the Company; and
- e) Company has not taken Loan from the Parties covered under section 301 of the Act and hence this and further (f) and (g) clauses are not applicable to the Company; and

**iv. INTERNAL CONTROL SYSTEM**

In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, 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 referred to in section 301 of the act that need to be entered in the register required under that section; and
- 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 `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, donation 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 `15000/- except the rule framed regarding the maintenance of liquid assets by the Acceptance of Deposit Rules, 1975, where the Company has not maintained the liquidity as prescribed in the rule for repayment of deposit.*

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, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and any other statutory dues, with appropriate authorities and the extent of the arrears of outstanding statutory dues as at the last day of the financial year concern for a period of more than six months from the date they became *payable is Rs. 84,03,574/-* to the *Income Tax authorities for the Financial Year 2010 – 2011 of Rs. 68,84,936/-* and for the

*Financial Year 2011 – 2012 of Rs. 13,93,012/ and for the Financial Year 2012-2013 Rs. 1,25,626/-*

- b) According to the information and explanations given to us, there are no dues of Income Tax / Sales tax / Service tax / Customs duty / Excise duty / Cess, which have not been deposited on account of any dispute;

**x. ACCUMULATED LOSSES:**

The Company has no accumulated losses as at 31st March 2014 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 year ended;

**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 and accordingly, this clause is not applicable to the Company;

**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 and accordingly, this clause is not applicable to the Company;

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

The Company does not deal or trade in shares, securities, debentures and other investments and hence, this clause is not applicable to the Company;

**xv. GUARANTEES GIVEN:**

As per the information and explanation given to us and records produced before us, Company has not given any guarantee for loans taken by others from Bank or Financial Institution and accordingly, this clause is not applicable to the Company;

**xvi. TERM LOANS:**

According to information and explanations given to us and evidence obtained by us during the course of audit, 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 under register maintained under section 301 of the Companies Act, 1956 and this clause is not applicable to the Company;

**xix. SECURITY FOR DEBENTURES ISSUED:**

The Company has not issued any debentures during the year and accordingly, this clause of the order is not applicable to the Company;

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

The Company has not raised any money through a public issue during the year. and this clause is not applicable to the Company;

**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 JAIPRAKASH UPADHAYAY &  
CO.  
Chartered Accountant  
Firm Registration Number - 125073W**

**Sd/-**

**Jaiprakash Upadhayay  
Proprietor  
Membership Number - 116778**

**Place : Mumbai**

**Date : 30<sup>th</sup> May, 2014.**

**Birla Shloka Edutech Limited****Balance Sheet as at 31st March,2014****Amount in Rs.**

	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>Equity and Liabilities</b>			
Share Capital	3	209,456,370	209,456,370
Reserves and Surplus	4	845,170,302	878,105,441
Money Received against Share Warrants	5	5,250,000	-
		<b>1,059,876,672</b>	<b>1,087,561,811</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	6	57,534,000	97,544,000
Deferred Tax Liabilities ( Net )	14	-	3,955,180
Long Term Provisions	7	472,357	1,439,677
		<b>58,006,357</b>	<b>102,938,857</b>
<b>Current Liabilities</b>			
Short Term Borrowings	8	233,362,617	175,170,437
Trade Payables	9	439,783,310	701,114,928
Other Current Liabilities	10	36,848,195	13,183,832
Short Term Provisions	11	327,355,610	26,075,420
		<b>1,037,349,731</b>	<b>915,544,615</b>
		<b>2,155,232,761</b>	<b>2,106,045,283</b>
<b>Assets</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	34,036,004	37,112,825
Intangible Assets		151,749,964	104,292,622
Intangible Assets under Development		204,193,426	322,199,215
Non Current Investments	13	513,870,298	516,499,150
Deferred Tax Assets ( Net )	14	35,475,300	-
Long Term Loans and Advances	15	124,979,992	125,769,677
		<b>1,064,304,983</b>	<b>1,105,873,489</b>
<b>Current Assets</b>			
Inventories	16	104,989,309	108,717,402
Trade Receivables	17	509,690,280	800,857,984
Cash and Bank Balances	18	11,708,041	9,090,600
Short Term Loans and Advances	19	157,696,148	79,905,809
Other Current Assets	20	306,844,000	1,600,000
		<b>1,090,927,777</b>	<b>1,000,171,794</b>
		<b>2,155,232,761</b>	<b>2,106,045,284</b>

Significant Accounting Policies

2

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

As per our report of even date

**For JAIPRAKASH UPADHAYAY & CO.****Chartered Accountant****Firm Registration Number - 125073W**

Sd/-

**Jaiprakash Upadhayay****Proprietor****Membership Number - 116778****Place : Mumbai****Date : 30<sup>th</sup> May, 2014****For and on behalf of the Board of Directors**

Sd/-

**Yashovardhan Birla  
Director**

Sd/-

**Ramprakash M Mishra  
Director**

Sd/-

**Mohandas Shenoy Adige  
Director**

Sd/-

**Amit Pal  
Company Secretary**

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
I. Revenue from Operations		636,316,408	2,235,622,937
II. Other Income	21	14,420,196	16,381,215
III. <b>Total Revenue (I + II)</b>		<b>650,736,604</b>	<b>2,252,004,152</b>
IV. <b>Expenses:</b>			
Changes in Inventories (Finished Goods, Work - in - Progress)	22	3,728,093	(3,136,668)
Purchases		240,692,107	1,954,068,692
Employee Benefits Expenses	23	15,632,607	28,903,008
Finance Costs	24	41,551,019	40,486,094
Depreciation and Amortization Expense	12	81,745,530	54,015,493
Administration Expenses	25	341,577,383	126,117,096
<b>Total Expenses</b>		<b>724,926,739</b>	<b>2,200,453,715</b>
V. Profit before exceptional and extraordinary items and Tax (III-IV)		<b>(74,190,135)</b>	<b>51,550,437</b>
VI. Exceptional items and Extraordinary Items		-	-
VII. Profit before Tax		<b>(74,190,135)</b>	<b>51,550,437</b>
VIII. Tax Expenses:			
(1) Current Tax		-	10,500,000
Add : MAT Credit Entitled (previous year)		(1,921,658)	-
Less : MAT Credit to be Entitled		-	(3,329,955)
(2) Deferred Tax	14	(1,921,658)	7,170,045
(3) For Earlier Years		-	20,651
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)		<b>(32,837,997)</b>	<b>50,528,284</b>
X. Profit from Discontinuing Operations		-	-
XI. Profit/(Loss) for the year (IX + X)		<b>(32,837,997)</b>	<b>50,528,284</b>
XII. <b>Earnings per Equity Share:</b>			
Basic		(1.57)	2.41
Diluted		<b>(1.56)</b>	2.32

Significant Accounting Policies

2

The accompanying notes are forming integral part of the Financial Statement.  
As per our report of even date

For JAIPRAKASH UPADHAYAY &amp; CO.

Chartered Accountant

Firm Registration Number - 125073W

Sd/-

Jaiprakash Upadhyay

Proprietor

Membership Number - 116778

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

Sd/-

Yashovardhan Birla  
Director

Sd/-

Mohandas Shenoy Adige  
Director

Sd/-

Ramprakash M Mishra  
Director

Sd/-

Amit Pal  
Company Secretary



**Birla Shloka Edutech Limited****Cash Flow Statement for the Half Year Ended 31st March, 2014.**

Particulars	Year ended March 31, 2014	Amount in Rs. Year ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Taxation	(74,190,135)	51,550,437
<b>Adjustment for:</b>		
Depreciation and Amortization	81,745,530	54,015,493
Loss on Fixed Assets Written Off	-	654,859
Interest and other Financial Charges	41,551,019	40,486,094
Interest Income	(6,046,334)	(8,751,891)
Operating Profit Before Working Capital Changes	<b>43,060,080</b>	<b>137,954,992</b>
<b>Working Capital Changes:</b>		
Trade & Other Receivable	(89,155,292)	(145,885,732)
Inventories	3,728,093	(3,136,668)
Trade Payables and Other Liabilities	69,299,474	212,138,746
Tax Paid	(6,653,857)	(13,650,044)
Net Cash From Operating Activities	<b>20,278,498</b>	<b>187,421,294</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(8,120,262)	(132,355,584)
Investments	2,628,852	(88,428,642)
Fixed Despot with Banks having maturity more than 3 months	(4,141,159)	(3,972,587)
Interest on Loan granted	6,046,334	8,751,891
Increase in Investment in Foreign Currency Tranlation Reserves	(97,142)	97,142
Net Cash from Investing Activities	<b>(3,683,377)</b>	<b>(215,907,779)</b>
<b>Cash Flow from Financing Activities</b>		
Issue of share warrant	5,250,000	-
Proceeds from Borrowings (Net)	18,182,180	55,788,451
Interest and other Financial Charges	(41,551,019)	(40,486,094)
Net Cash from Financing Activities	<b>(18,118,839)</b>	<b>15,302,357</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(1,523,717)</b>	<b>(13,184,127)</b>
<b>Cash &amp; Cash Equivalents As at Beginning of Year</b>	<b>4,740,659</b>	<b>17,924,786</b>
<b>Cash &amp; Cash Equivalents As at End of the Year</b>	<b>3,216,941</b>	<b>4,740,659</b>

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

As per our report of even date

For JAIPRAKASH UPADHAYAY & CO.

For and on behalf of the Board of Directors

Chartered Accountant

Firm Registration Number - 125073W

Sd/-

Sd/-

Sd/-

Jaiprakash Upadhayay  
Proprietor

Yashovardhan Birla  
Director

Mohandas Shenoy Adige  
Director

Sd/-

Sd/-

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Ramprakash M Mishra  
Director

Amit Pal  
Company Secretary

## **Birla Shloka Edutech Limited**

Notes forming part of the Balance Sheet & Statement of Profit and Loss for the Year Ended 31st March, 2014.

### **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 & sale of IT products and has a curriculum based educational software programme viz., "XL@School" as per the syllabus prescribed by different educational board that is designed to impart academic knowledge through electronic media.

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

The Company has three Subsidiaries Birla Edutech Limited, Birla Shloka Edutech Limited FZE and Ojus Healthcare Private Limited.

Shares in the later Subsidiary (51.10%) was acquired by the Company during the current Financial Year and the main object of the subsidiary is to establish hospitals, conducting research and development activities in the areas of medical science, to carry the business of providing the healthcare and health information. In addition to the main object it can also peruse e - Governance Project.

### **2. Significant Accounting Policies**

#### **a. System of Accounting:**

The Financial Statements have been prepared under the historical cost convention, except where impairment is made and on accrual basis in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. Accounting policies have been consistently applied by the Company and are consistent with those used in the Previous Year.

#### **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 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 Statement of Profit and Loss. 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 but only to the extent of carrying amount as if, the asset is not previously assessed as impaired.

#### **h. Inventories**

Inventories are valued at cost or net realizable value, whichever is lower.

#### **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 (if permitted by AS-16 - "Borrowing Cost")

#### **j. Employee Benefits**

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.

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 and even software product development costs are also 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**

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate prevailing at the date of transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### **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 statement of profit and loss 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.

	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>
<b>SHARE CAPITAL</b>		
<b>Authorised Capital :</b>		
100,000,000 Equity Shares of `10/- each (31st March, 2014 : 100,000,000)	1,000,000,000	1,000,000,000
<b>Total</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed &amp; Paid up Capital :</b>		
2,09,45,637 Equity Shares of `10/- each (31st March, 2014 : 2,09,45,637)	209,456,370	209,456,370
<b>Total</b>	<b>209,456,370</b>	<b>209,456,370</b>
<b>a. Reconciliation of the share outstanding at the beginning and at the end of the reporting period</b>		
<b>Equity Shares</b>		
Outstanding at the beginning of the Period	20,945,637	20,945,637
Issued / Buyback during the Year	-	-
<b>Outstanding at the end of the Period</b>	<b>20,945,637</b>	<b>20,945,637</b>

**b. Terms and Rights attached to Equity Shares**

The company has only one class of share capital, i.e. equity shares having a face 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. None of the Subsidiaries / Associates are holding the shares of 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:**

None of the Shares have been issued for a consideration other than cash or bonus during the period of five years immediately preceding the reporting date and also company did not buyback any of its equity shares during that period.

**e. details of shareholder holding more than 5% share in the company.**

Name of Shareholder	31st March, 2014		31st March, 2013	
	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Nirved Traders Private Limited	1,524,006	7.28%	1,110,292	5.30%

**4 Reserves and surplus  
Securities Premium**

Opening Balance	682,816,969	665,860,982
<b><u>Add : Addition during the Year</u></b>		
i. 9,97,411 Share Warrant forfeited called up `68 per warrant and paid up `17 per warrant	-	16,955,987
<b>Closing Balance (a)</b>	<b>682,816,969</b>	<b>682,816,969</b>

**Foreign Currency Translation Reserve**

Opening Balance	97,142	-
Addition / ( Less ) During the Year	(97,142)	97,142
<b>Closing Balance (b)</b>	<b>-</b>	<b>97,142</b>

**Statement of Profit and Loss**

Opening Balance	195,191,330	144,663,046
Add : Profit / (Loss) During the Year	(32,837,997)	50,528,284
<b>Closing Balance (c)</b>	<b>162,353,333</b>	<b>195,191,330</b>

<b>Total [(a) + (b) + (c)]</b>	<b>845,170,302</b>	<b>878,105,441</b>
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**5 Money Received against Share Warrants**

21,00,000 No. of Shares Warrants to be issued towards Preferential Allotments at Price of Rs. 10/- each, Rs. 2.5/- paid up per warrant, However the same is pending for approval with the regulatory Authorities

5,250,000 -

**5,250,000 -**

**As at 31-03-2014 As at 31-03-2013**

**6. Long Term Borrowings**

**Term Loan from Banks**

The Catholic Syriyan Bank

58,315,433 52,371,041

(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 (Other Current Liability)

58,315,433 42,371,041

- **10,000,000**

(Loan is repayable in quarterly installment of `1 Crore and the installment began from December 2011).

**Vehicle Loan from Others**

Tata Capital Limited

- 63,917

Less : Maturity within one Year (Other Current Liability)

- 63,917

- -

(The above Vehicle Loans are secured by the First Charge on Vehicles)

(Loan taken from Tata Capital Limited is repayable in equal monthly installment of `9,600/- which began from October month of 2008 and will be fully repaid in the month October month of 2013).

Public Deposit

96,155,000 110,061,000

Less : Maturity within one Year (Other Current Liability)

38,621,000 22,517,000

**57,534,000 87,544,000**

Repayment Schedule:

Year	2013-14	2014-15	2015-16
<b>Repayment Amount</b>	22,517,000	28,725,000	58,819,000

**57,534,000**                      **97,544,000**

**The above amount includes:**

Secured Borrowing	-	10,000,000
Unsecured Borrowing	57,534,000	87,544,000

**57,534,000**                      **97,544,000**

**7 Long Term Provisions**

**Provision for Post Employment Benefits**

Provision for Gratuity (Unfunded) (refer note no 27)	472,357	1,065,097
Leave Encashment (Unfunded) (refer note no 27)	-	374,580
( Company has discontinued leave encashment benefits hence no provision has been made for leave encashment)	-	-

**472,357**                      **1,439,677**

**8 Short Term Borrowings**

**Cash Credit sanctioned from Bank (Secured)**

The Catholic Syriyan Bank	123,024,841	112,653,437
(Above Cash Credit is secured by the Equitable Mortgage of Office Premises and Hypothecation of Book Debts and this Amount includes overdue interest).		

Term Loan from The Catholic Syriyan Bank Ltd.	40,000,000	40,000,000
(Loan is repayable in quarterly installment of `1,00,00,000/- for this Financial year, However the overdue principal Amount of ` 1,00,00,000/- along with the Interest Amount has been classified under the head of Current Liabilities)		

<b>Public Deposit</b>	28,725,000	22,517,000
(Amount payable in the Financial Year 2014-15)		

<b>191,749,841</b>	<b>175,170,437</b>
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**The above amount includes:**

Secured Borrowing	163,024,841	112,653,437
Unsecured Borrowing - Others	28,725,000	22,517,000
Unsecured Borrowing - Gr. Companies	41,612,776	-
Interest Free Loan (Received from Related Party Payable on Demand)		

<b>233,362,617</b>	<b>135,170,437</b>
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<b>As at</b>	<b>As at</b>
<b>31-03-2014</b>	<b>31-03-2013</b>

**9 Trade payables**

**Unsecured and Considered Good**

Due to Micro and Small Enterprises	-	-
Others	439,783,310	701,114,928

<b>439,783,310</b>	<b>701,114,928</b>
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**10 Other Current Liabilities**

**Long Term Borrowing Payable within a Year**

**Term Loan from Banks**

The Catholic Syriyan Bank	18,315,433	2,371,041
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(Amount includes Overdue principal Amount of ` 1,00,00,000/- along with the Interest Amount of ` 83,15,433/-)

**Vehicle Loan from Other**

Tata Capital Limited	-	63,917
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<b>Public Deposit</b>	9,896,000	-
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( Amount includes Principal Amount due)

**Duties and Taxes**

Tax Deduction at Source	231,608	2,489,540
Service Tax to be paid on Reverse Charge Mechanism	55,620	55,620
Contribution to Employee benefit Statutory Fund and Professional Tax	93,632	103,270
Deposit Received	2,350,000	2,490,000

**Other Liabilities**

Payable to Employees	286,616	703,577
Sundry Creditors Others	5,160,548	4,504,058
Advance from Customers	458,738	402,809
	<b>36,848,195</b>	<b>13,183,832</b>

**11 Short Term Provisions**

Income Tax Payable	<b>1,930,779</b>	<b>8,584,636</b>
Provision for Interest on Statutory Dues	4,735,891	3,729,173
Provision for Expenses	320,674,776	13,703,170
Provision for Gratuity for Current Services	14,164	19,237
Provision for Leave Encashment for Current Services	-	39,204
<b>Total</b>	<b>327,355,610</b>	<b>26,075,420</b>

**BIRLA SHLOKA EDUTECH LIMITED**

**SCHEDULES TO BALANCE SHEET AS ON 31ST MARCH, 2014.**

**Schedule : 12**

**FIXED ASSETS**

Sr. No.	Description of Asset	Gross Block				Depreciation			Net Block		
		As on 01-April-13	Additions	Deletions	As on 31-Mar-14	As on 01-April-13	Provided for the Year	Adjusted	As on 31-Mar-14	As on 31-March-13	
<b>1</b>	<b>TANGIBLE ASSETS</b>										
a.	Office Building	42,429,503	-	-	42,429,503	13,197,533	1,461,599	-	14,659,132	27,770,371	29,231,970
b.	Shop Building	5,669,000	-	-	5,669,000	3,031,822	263,718	-	3,295,540	2,373,460	2,637,178
c.	Computer Systems	12,535,177	17,714	-	12,552,891	10,439,843	841,692	-	11,281,535	1,271,356	2,095,334
d.	Furniture & Fixtures	2,070,188	-	-	2,070,188	1,543,306	95,366	-	1,638,672	431,516	526,882
e.	Office Equipments	3,353,147	-	-	3,353,147	1,287,376	288,292	-	1,575,668	1,777,479	2,065,771
f.	Vehicles	1,656,936	-	-	1,656,936	1,101,246	143,868	-	1,245,114	411,822	555,690
	<b>Subtotal - Tangible Assets</b>	<b>67,713,951</b>	<b>17,714</b>	<b>-</b>	<b>67,731,665</b>	<b>30,601,126</b>	<b>3,094,535</b>	<b>-</b>	<b>33,695,661</b>	<b>34,036,004</b>	<b>37,112,825</b>
<b>2</b>	<b>INTANGIBLE ASSETS</b>										
a.	Computer Software (Content)	41,252,026	126,108,337	-	167,360,363	11,589,104	50,151,465	-	61,740,569	105,619,794	29,662,922
b.	Computer Software (Other)	219,913,663	-	-	219,913,663	148,664,837	28,499,530	-	177,164,367	42,749,296	71,248,826
c.	Goodwill	3,380,874	-	-	3,380,874	-	-	-	-	3,380,874	3,380,874
	<b>Subtotal - Intangible Assets</b>	<b>264,546,563</b>	<b>126,108,337</b>	<b>-</b>	<b>390,654,900</b>	<b>160,253,941</b>	<b>78,650,995</b>	<b>-</b>	<b>238,904,936</b>	<b>151,749,964</b>	<b>104,292,622</b>
<b>3</b>	<b>DEVELOPMENT</b>	322,199,215	8,102,548	126,108,337	204,193,426	-	-	-	-	204,193,426	322,199,215
	<b>Grand Total [(1)+(2)+(3)]</b>	<b>654,459,729</b>	<b>134,228,599</b>	<b>126,108,337</b>	<b>662,579,991</b>	<b>190,855,067</b>	<b>81,745,530</b>	<b>-</b>	<b>272,600,597</b>	<b>389,979,394</b>	<b>463,604,662</b>

Note :- 1. Intangibles Assets Under Developments includes Advances given for the Tribal Project & Maharashtra Project.

	As at 31-03-2014	As at 31-03-2013
<b>13 Non Current Investments</b>		
<b><u>Investment in Subsidiaries</u></b>		
Birla Shloka Edutech Limited - FZE	420,508	517,650
Birla Edutech Limited	391,300,030	377,150,000
Ojus Healthcare Private Limited	12,500,000	12,500,000
<b><u>Share Application Money pending Allotment</u></b>		
Ojus Healthcare Private Limited	500,000	500,000
Birla Edutech Limited	-	19,000,000
<b><u>Investment in Associates</u></b>		
English Learning Group Private Limited	7,318,260	5,000,000
English Learning Group Private Limited) SAARC	1,331,500	
<b><u>Share Application Money pending Allotment</u></b>		
English Learning Group Private Limited) SAARC	-	1,331,500
<b><u>Others Investments</u></b>		
Enn Vee Holdings Private Limited	100,500,000	100,500,000
	513,870,298	516,499,150

**14 Deferred Tax (Liabilities) / Assets ( Net )**

Particulars	As at 31.03.2014	Credit/ (Charge)	As at 31.03.2013
<b>a) Deferred Tax Liability</b>			
WDV of Fixed Assets	(12,535,888)	(1,684,464)	(10,851,424)
<b>b) Deferred Tax Asset</b>			
Provision for Gratuity and Leave Encashment	150,335	(323,083)	473,418
Preliminary Expenses in connection with Initial Public Offer and Global Depository Receipt	2,148,516	(4,274,310)	6,422,826
Carried Forward Losses	45,712,336	45,712,336	-
	<b>48,011,187</b>	<b>41,114,943</b>	<b>6,896,244</b>
<b>Total Deferred Tax (Liability)/ Asset</b>	<b>35,475,300</b>	<b>39,430,480</b>	<b>(3,955,180)</b>

**15 Long Term Loans and Advances****Security Deposits Given**

Tender Deposits	475,000	475,000
Sundry Deposits	1,000	1,000
Capital Advance	117,731,793	116,231,793

**Others**

Service Tax	4,292,550	6,173,384
Value Added Tax and Central Sales Tax	2,479,649	2,888,500

<b>124,979,992</b>	<b>125,769,677</b>
--------------------	--------------------

**16 Inventories**

(Verified and Valued by Management)

Finished Goods and Work in Progress	104,989,309	<b>108,717,402</b>
	104,989,309	<b>108,717,402</b>

**17 Trade Receivables**

More than Six Months - Considered Good

Others	23,055,143	<b>221,004,171</b>
	486,635,137	<b>579,853,813</b>
	<b>509,690,280</b>	<b>800,857,984</b>

The above amount includes:

Related Party covered under section 301

Others	9,076,049	<b>5,882,886</b>
	500,614,231	<b>794,975,098</b>
	<b>509,690,280</b>	<b>800,857,984</b>

(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	3,656	76,405
Balances with Bank	2,713,285	4,164,254
Cheques In hand	500,000	500,000
(A)	3,216,941	4,740,659

### Other Bank Balances

#### Fixed Deposit

Bank of India	442,215	408,174
(Company has kept the above deposit as lien for obtaining Bank Guarantee in favour of Tribal Department of Maharashtra from Bank of India ).		
The Catholic Syrian Bank Limited	8,048,885	3,941,767
(Company has kept the above deposit as lien for obtaining Bank Guarantee in favour of Maharashtra State education Board from The catholic Syriyan bank Limited ).	-	-
(B)	<b>8,491,100</b>	<b>4,349,941</b>

#### Total (A+B)

**11,708,041**      **9,090,600**

## 19 Short Term Loans and Advances

### Advances recoverable in cash or in Kind

Loans and Advances to Related Parties	55,022,127	53,951,918
(The above loans are receivable on demand and are carrying a Interest @15.00% p.a.)		
Interest Accured on Loan Granted but not Due ( On Related Parties )	13,053,041	7,809,001
Loans and Advances to Others	70,296,000	6,426,000
( Receivable in Cash and Kind )		
(A)	<b>138,371,168</b>	<b>68,186,919</b>

### Other Loans and Advances

MAT Credit Entitlement	12,523,328	10,601,670
Prepaid Expenses	2,422,048	418,766



Loan to Employees		4,379,604	698,454
	(B)	<b>19,324,980</b>	<b>11,718,890</b>
<b>Total (A+B)</b>		<b>157,696,148</b>	<b>79,905,890</b>

**20 Other Current Assets**

Advance to Creditors	1,828,000	1,600,000
Unbilled Revenue	305,016,000	-
	<b>306,844,000</b>	<b>1,600,000</b>

**For The Period Ended**  
**31-03-2014**      **31-03-2013**

**21 Other Income**

Rent	6,265,562	6,011,135
Interest	6,046,334	8,751,891
Miscellaneous Income	2,108,300	1,618,189
<b>Total</b>	<b>14,420,196</b>	<b>16,381,215</b>

**22 Changes in Inventories of Finished Goods, Work-in-Progress**

Opening Stock	108,717,402	105,580,734
Less:Capitalised during the Year	-	-
Less:Closing stock	104,989,309	108,717,402
<b>Change in Stock</b>	<b>3,728,093</b>	<b>(3,136,668)</b>

**23 Employee benefits expense**

Salary and Other Allowances	15,546,044	27,480,775
Short Term Employment Benefit	86,563	1,422,233
	<b>15,632,607</b>	<b>28,903,008</b>

## 24 Finance Cost

Interest	39,037,149	35,776,318
Interest on Statutory Dues	1,670,305	2,114,173
Bank charges	634,870	616,798
Loan Processing Charges	200,000	410,080
Commission on Public Deposit scheme	8,695	1,568,725
<b>Total</b>	<b>41,551,019</b>	<b>40,486,094</b>

## 25 Administration expenses

Rent	948,815	4,176,339
Electricity	484,531	834,552
Communication	513,345	879,288
Listing Fee	103,107	160,112
Professional Fee	328,909,003	98,863,002
Audit Remuneration		
Audit Fee	200,000	435,000
Others	100,000	100,000
Charity and Donation	331,848	5,686,360
Travelling and Conveyance	2,673,863	3,483,274
Director Sitting Fee	100,000	130,000
Loss on Assets written off	-	654,859
Other Administration Expenses	7,212,871	10,714,310
	<b>341,577,383</b>	<b>126,117,096</b>

## 26 Cash and Cash Equivalents

Cash in Hand	3,656	76,405
Balances with Bank	2,713,285	4,740,659
	<b>2,716,941</b>	<b>4,817,063</b>

## 27 Gratuity and Other Post Employment Benefit Plans

### 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.

### Defined Benefit Plan

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

<b>Net Employee benefit expense recognized in employee cost</b>	<b>31st March, 2014</b>	<b>31st March, 2013</b>
Current Service Cost	295,208	338,090
Interest Cost on Benefit Obligation	86,747	87,112
Expected return on Planned Assets		
Net actuarial (Gain) / Loss	(979,768)	(365,716)
Past Service Cost		
Net benefit expense	<b>(597,813)</b>	<b>59,486</b>
<b>Details of Provision for gratuity</b>	<b>31st March, 2014</b>	<b>31st March, 2013</b>
Defined Benefit Obligation	1,084,334	1,084,334
Fair value of Planned Assets	-	-
Amount recognized in the balance sheet	<b>1,084,334</b>	<b>1,084,334</b>
<b>Changes in the present value of the defined benefit obligation are as follows:</b>	<b>31st March, 2014</b>	<b>31st March, 2013</b>
Opening defined benefit obligation	1,084,334	1,024,848
Interest Cost	86,747	87,112
Current Service Cost	295,208	338,090
Benefits paid	-	-
Actuarial (Gains) / Losses on obligation	(979,768)	(365,716)
<b>Closing defined benefit obligation</b>	<b>486,521</b>	<b>1,084,334</b>

**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:

<b>Particulars</b>	<b>31st March, 2014</b>	<b>31st March, 2013</b>
Future Salary Rise	6.00%	6.00%
Rate of Discounting	9.31%	8.50%
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.

During the current year, the management has changed the Leave Encashment Policy. Accordingly no Leave Encashment will be allowed during tenure / retirement from services. Hence no provision is made. In the previous year provision towards Leave Encashment was made on the basis of actuarial valuation as per Accounting Standard 15 (Revised).

**28 Earnings per Equity Share:**

Basic	(1.57)	2.26
Diluted	(1.56)	2.17
Net Profit considered for Calculation of Earning per Share	(32,837,997)	47,391,616
<b>Number of Shares taken for Calculation of EPS</b>		
Basic	20,945,637	20,945,637
Diluted	21,072,212	20,945,637

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

<b>Particulars</b>		
Salaries	-	2,688,200
<b>Total</b>	-	<b>2,688,200</b>

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

<b>Particulars</b>	<b>31st March, 2014</b>	<b>31st March, 2013</b>
Profit before Tax as per Profit and Loss Account	(74,190,135)	48,413,769
Add : Director's Remuneration	-	2,688,200
Add : Depreciation charged to Profit and Loss Account	81,745,530	54,015,493
Less : Depreciation as per Section 350	81,745,530	54,015,493
<b>Net Profit as per Section 349</b>	<b>(74,190,135)</b>	<b>51,101,969</b>

Maximum Remuneration which can be paid as per Section 350 (5% of Net Profit computed as per Section 349)	<b>(3,709,507)</b>	<b>2,555,098</b>
Remuneration paid to Managing Director	-	<b>2,688,200</b>

### 30 Earning / Expenditure in Foreign Exchange

Earning in Foreign Exchange	<b>130,000</b>	-
Expenditure in Foreign Exchange	-	-

31 Previous year's figures have been regrouped wherever necessary, to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as integral part of the current year financials statements and are to be read in relation to the amounts and other disclosures relating to the current year. Figures have been rounded off to the nearest rupee.

### 32 Contingent Liabilities

Company has to pay part of the Self Assessment Tax of the Financial Year 2010 - 2011 ,2011 - 2012 and 2012-2013 . 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 which is not so far provided.

The Company has received an Order of Assessment of Tax under Central Sales Tax Act 1956 See R 9A of the CST (Bombay ) Rules 1957 Accounting Year 2009-2010 demanding Rs. 624090/- The Company is in the process of making an appeal against the said assessment order before sales tax authorities.

The Company has received an Order of Assessment of Tax under MVAT Act 2002 for Assessment Year 2009-2010 demanding Rs. 3,42,81,235/- The Company is in the process of making an appeal against the said assessment order before MVAT Authorities.

The Company expects that the matter will be resolved in Company's favour and no liability is expected.

### 33 Related Party Disclosures

#### i. List of Parties

##### a. Key Management Personnel

Mr. Yashovardhan Birla – Chairman

Mr. Girdhari Lal Lath – Managing Director

##### b. Subsidiary

Birla Edutech Limited - 86.53% Shareholding

Birla Shloka Edutech Limited, FZE - 100.00% Shareholding

Ojus Healthcare Private Limited - 51.10% Shareholding

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

Birla Electrical Limited

Birla Global Corporate Limited

Birla Viking Travels Limited

Godavari Corporation Limited

Nirved Traders Limited

Scimitar Investment & Trading Company Private Limited

Shearson Investment & Trading Company Private Limited

Zenith Birla India Limited

Birla Aircon Infrastructure Private Limited

Asian Distributors Private Limited

#### i. Related Party Transactions:

##### Particulars of Related Party Transactions

Relation with the Party	Nature of Transaction	Amount
Key Management Personnel	Salary	NIL
Enterprises Owned or Significantly Influenced by Key Management Personnel or their Relatives.	Loans & Advances Granted	13,800,000
	Granted Loan & Advance Recovered	11,418,799

Name of the Party	Relation with the party	Balance Outstanding	Maximum Outstanding
Birla Edutech Limited	Subsidiary	12,639,336	14,471,541
Ojus Healthcare Private Limited	Subsidiary	-	2,900,000
Birla Shloka Edutech Limited - FZE	Subsidiary	-	-
English Learning Group (SAARC) Limited	Associate	-	-
Birla Global Corporate Limited	Company Registered Under Same Management	15,154,631	15,154,631
Godavari Corporation Private Limited	Company Registered Under Same Management	-	10,763,425
Nirved Traders Private Limited	Company Registered Under Same Management	13,526,741	13,651,741
Shearsons Investments & Trading Co.	Company Registered Under Same Management	-	11,293,799
Zenith Birla India Limited	Company Registered Under Same Management	7,674,040	7,674,040
Birla Power Solutions Limited	Company Registered Under Same Management	(39,576,201)	(50,870,000)
Birla Surya Limited	Company Registered Under Same Management	204,828	204,828
Birla Costyn India Limited	Company Registered Under Same Management	(2,036,575)	10,763,425
Melstar Information & Technologies Limited	Company Registered Under Same Management	4,094,568	(5,000,000)
Birla Aircon Infrastructure Pvt Ltd	Company Registered Under Same Management	-	2,738,600
Birla Trasasia Carpets Limited	Company Registered Under Same Management	1,552,484	1,552,484
English Learning Group Private Limited	Company Registered Under Same Management	1,308,737	2,120,540

**Auditor’s Report to the Board of Directors of Birla Shloka Edutech Limited on the Consolidated Financial Statements for the year 2013 - 2014**

We have examined the attached Consolidated Balance Sheet of Birla Shloka Edutech Limited and its subsidiaries (“the company”), as at March 31<sup>st</sup>, 2014 and also the consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company’s Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We 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 Financial Statements are prepared, in all respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on 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 the Management, as well as evaluating the overall Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

In respect of the Financial Statements of subsidiaries, we did not carry out the audit. These Financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors. The details of assets and revenues in respect of these subsidiaries and the net carrying cost of investments and current year/period share of profit or loss in respect of these subsidiaries, to the extent to which they are reflected in the Consolidated Financial Statements are given below:

<b>Particulars</b>	<b>Birla Edutech Limited (Amount in INR)</b>	<b>Birla Shloka Edutech Limited – FZE (Amount in Dirham / INR)</b>	<b>Ojus Healthcare Private Limited (Amount in INR)</b>
Country of Incorporation	India	United Arab Emirates (UAE)	India
Total Capital Employed	43,30,77,504/-	39,47,812/7,22,16,123	3,82,06,775/-
Total Assets	50,47,34,727/-	51,64,802/8,41,86,273	5,48,69,477/-
Profit/(Loss) after Tax for the year	(18,57,460/-)	4,82,625/75,04,819	6,63,575/-
Interest of Holding Company (in %)	86.96%	100.00%	51.10%
Interest of Minority (in %)	13.04%	Nil	48.90%



Minority share (in Currency)	5,64,17,202/-	Not Applicable	1,81,12,879/-
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*Further as reported in Note No. 3 of the Consolidated Financial Statement, in respect of the investment in associate made during the year, valued at the historical cost in the financial statements of the Company, no adjustment have been made in the Consolidated Financial Statements as at 31<sup>st</sup> March, 2014 as the financial statements of the associate were not available.*

We report that Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21, "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited/certified Financial Statements of subsidiaries in the Consolidated Financial Statements.

We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual Audited Financial Statements of the Company, we are of the opinion that the said Consolidated Financial Statements, read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Consolidated Balance Sheet, of the state of affairs of the company as at March 31, 2014.
- b. In the case of the Consolidated Statement of Profit and Loss, of the profit/(loss) of the company for the year ended on that date; and
- c. In the case of the Consolidated Cash Flow Statement, of the cash flow of the company for the year ended on that date.

**For JAIPRAKASH UPADHAYAY & CO.**

**Chartered Accountant**

**Firm Registration Number - 125073W**

**Sd/-**

**Jaiprakash Upadhayay**

**Proprietor**

**Membership Number - 116778**

**Place : Mumbai**

**Date : 30<sup>th</sup> May, 2014.**

**Birla Shloka Edutech Limited**  
**Consolidated Balance Sheet as at 31st March, 2014**

Amount in Rupees  
As at  
31st March, 2013

	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>Equity and Liabilities</b>			
Share Capital	4	209,456,370	209,456,370
Reserves and Surplus	5	939,990,592	943,117,552
Money Received against Share Warrants	6	5,250,000	-
		<b>1,154,696,962</b>	<b>1,152,573,922</b>
<b>Minority Interest</b>		74,854,546	74,783,901
<b>Non Current Liabilities</b>			
Long Term Borrowings	7	57,534,000	98,748,749
Deferred Tax Liabilities (Net)	8	-	3,955,180
Long Term Provisions	9	930,744	2,500,739
		<b>58,464,744</b>	<b>105,204,668</b>
<b>Current Liabilities</b>			
Short Term Borrowings	10	279,212,904	158,357,882
Trade Payables	11	471,009,419	752,911,498
Other Current Liabilities	12	43,092,548	88,032,545
Short Term Provisions	13	329,947,965	26,780,736
		<b>1,123,262,836</b>	<b>1,026,082,660</b>
		<b>2,411,279,088</b>	<b>2,358,645,150</b>
<b>Assets</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
	14		
Tangible Assets		387,885,941	397,004,104
Intangible Assets		182,563,770	118,040,015
Intangible Assets under Development		358,919,530	458,515,187
Non Current Investments	15	109,155,361	106,837,101
Deferred Tax Assets ( Net )	8	35,475,300	-
Other Non Current Assets	16	126,154,268	135,300,417
		<b>1,200,154,170</b>	<b>1,215,696,824</b>
<b>Current Assets</b>			
Inventories	17	104,989,309	109,585,170
Trade Receivables	18	615,525,225	901,848,351
Cash and Bank Balances	19	15,769,025	11,999,392
Short Term Loans and Advances	20	166,178,566	117,059,100
Other Current Assets	21	308,662,794	2,456,313
		<b>1,211,124,918</b>	<b>1,142,948,326</b>
		<b>2,411,279,088</b>	<b>2,358,645,150</b>

Significant Accounting Policies 2  
The accompanying notes are forming integral part of the Financial Statement.  
As per our report of even date

**For JAIPRAKASH UPADHAYAY & CO.**  
**Chartered Accountant**  
**Firm Registration Number - 125073W**

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

Sd/-

**Jaiprakash Upadhayay**  
**Proprietor**  
**Membership Number - 116778**

**Place : Mumbai**  
**Date : 30th May, 2014**

Sd/-

**Yashovardhan Birla**  
**Director**

Sd/-  
**Ramprakash M Mishra**  
**Director**

Sd/-

**Mohandas Shenoy Adige**  
**Director**

Sd/-  
**Amit Pal**  
**Company Secretary**

**Birla Shloka Edutech Limited****Consolidated Statement of Profit and Loss For the Year Ended March 31, 2014**

Amount in Rupees

	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
I. Revenue from Operations		1,057,823,912	2,793,672,002
II. Other Income	22	18,200,460	21,396,399
<b>III. Total Revenue (I + II)</b>		<b>1,076,024,372</b>	<b>2,815,068,401</b>
<b>IV. Expenses:</b>			
Changes in Inventories (Finished Goods, Work-in-Progress)	23	4,595,861	383,316
Purchases		606,111,703	2,422,889,077
Employee Benefits Expenses	24	26,606,070	39,756,656
Finance Costs	25	44,099,236	43,659,089
Depreciation and Amortization Expense	14	69,603,099	60,762,113
Administration Expenses	26	373,984,050	152,312,770
<b>Total Expenses</b>		<b>1,125,000,019</b>	<b>2,719,763,041</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>(48,975,647)</b>	<b>95,305,360</b>
VI. Exceptional items and Extraordinary Items		-	-
VII. Profit before Tax		<b>(48,975,647)</b>	<b>95,305,360</b>
VIII. Tax Expenses:			
(1) Current Tax		2,396,000	12,744,714
Add : MAT Credit Entitled		(1,921,658)	(3,417,929)
Less : MAT Credit to be Entitled		-	-
		474,342	9,326,785
(2) Deferred Tax	8	(39,430,480)	(6,168,543)
(3) For Earlier Years		-	20,651
IX. Profit / (Loss) for the period from continuing operations (VII-VIII)		<b>(10,019,509)</b>	<b>92,126,467</b>
X. Less: Minority Interest		(70,645)	1,308,735
XI. Less: Preacquisition Profit / (Loss) on Acquisition of		640,023	(2,158,327)
XII. Profit/(Loss) for the year carried to Balance Sheet		<b>(9,450,131)</b>	<b>92,976,058</b>
<b>XII. Earnings per Equity Share:</b>	28		
Basic		(0.45)	4.44
Diluted		(0.45)	4.26

Significant Accounting Policies

2

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

As per our report of even date

For J For JAIPRAKASH UPADHAYAY &amp; CO.

Char Chartered Accountant

Firm Firm Registration Number - 125073W

Sd/-

Jaiprakash Upadhayay

Proprietor

Membership Number - 116778

Place : Mumbai

Date : 30<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

Sd/-

Yashovardhan Birla  
Director

Sd/-

Mohandas Shenoy Adige  
Director

Sd/-

Ramprakash M Mishra  
Director

Sd/-

Amit Pal  
Company Secretary

**Birla Shloka Edutech Limited****Consolidated Cash Flow Statement for the Year Ended 31st March, 2014**

Particulars	Amount in Rupees	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
Net (Loss) / Profit before Taxation	(48,975,647)	95,305,360
<b>Adjustment for:</b>		
Depreciation and Amortization	69,603,099	60,762,133
Loss on Fixed Assets Written Off	1,566,218	938,866
Profit on Sale of Fixed Assets	-	(4,435,831)
Minority Interest	70,645	(1,308,735)
Preacquisition Profit of Subsidiary Purchased (forming part of Profit before Tax for the Year)	640,023	2,158,327
Interest and other Financial Charges	44,099,236	43,659,089
Interest Income	(6,374,526)	(9,026,453)
Operating Profit Before Working Capital Changes	<b>60,629,049</b>	<b>188,052,755</b>
<b>Working Capital Changes:</b>		
Trade & Other Receivable	(10,737,206)	(281,265,423)
Inventories	4,595,861	(2,269,476)
Trade Payables and Other Liabilities	(20,498,101)	254,296,833
Tax Paid	(7,142,739)	(15,149,599)
Net Cash From Operating Activities	<b>26,846,863</b>	<b>143,665,090</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(26,530,394)	(216,880,606)
Long / Short Term Loans and Advances	(47,197,808)	(7,696,039)
Investments	(2,318,260)	(6,337,101)
Fixed Despot with Banks having maturity more than 3 months	(6,483,285)	(1,972,587)
Interest on Loan granted	<b>6,374,526</b>	9,026,453
Net Cash from Investing Activities	<b>(76,155,221)</b>	<b>(223,859,880)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Borrowings (Net)	79,640,274	67,147,645
Increase in Security Premium	-	3,152,518
Money Received against Share Warrants	5,250,000	-
Increase in Good Will	(558,858)	6,259,671
Increase in Minority Interest	(70,645)	28,161,487
Foreign Currency Translation Reserve	6,323,171	2,084,631
Interest and other Financial Charges	(44,099,236)	(43,659,089)
Proceed from Sale of Fixed Assets	110,001	5,810,973
Net Cash from Financing Activities	<b>46,594,706</b>	<b>68,957,838</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	(2,713,651)	(11,236,952)
<b>Cash &amp; Cash Equivalents As at Beginning of Year</b>	<b>7,649,451</b>	18,886,403
Cash & Cash Equivalents As at End of the Year ( Note No. 27 )	4,935,799	7,649,451

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

As per our report of even date

**For JAIPRAKASH UPADHAYAY & CO.**

**Chartered Accountant**

**Firm Registration Number - 125073W**

Sd/-

**Jaiprakash Upadhayay**

**Proprietor**

**Membership Number - 116778**

**Place : Mumbai**

**Date : 30th May, 2014**

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

Sd/-

**Yashovardhan Birla**  
**Director**

Sd/-

**Mohandas Shenoy Adige**  
**Director**

Sd/-

**Ramprakash M Mishra**  
**Director**

Sd/-

**Amit Pal**  
**Company Secretary**

## **Birla Shloka Edutech Limited**

Notes forming part of the Consolidated Balance Sheet & Statement of Profit and Loss for the Year Ended 31 March, 2014.

Particula

### **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 & sale of IT products and has a curriculam based educational software programe viz., "XL@School " as per the syllabus prescribed by different educational board that is designed to impart academic knowldege through electronic media.

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

The Company has three Subsidiaries Birla Edutech Limited, Birla Shloka Edutech Limited FZE and Ojus Healthcare Private Limited.

Shares in the later Subsidiary (51.10%) was acquired by the Company in the previous year and the main object of the subsidiary is to establish hospitals, conducting research and development activities in the areas of medical science, to carry the business of providing the healthcare and health information. In addition to the main object it can also persue e - Governance Project.

### **2. Significant Accounting Polices**

#### **a. System of Accounting:**

The Financial Statements have been prepared under the historical cost convention, except where impairment is made and on accrual basis in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. Accounting policies have been consistently applied by the Company and are consistent with those used in the Previous Year.

#### **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.

**a. 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 recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

**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 Statement of Profit and Loss. 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 but only to the extent of carrying amount as if, the asset is not previously assessed as impaired.

**h. Inventories:**

Inventories are valued at cost or net realisable value, whichever is lower.

**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 (if permitted by AS-16 - "Borrowing Cost")

**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. Foreign Currency Transactions:**

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate prevailing at the date of transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.



**l. Provision for Current 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 statement of profit and loss 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.

**m. Provision for Deferred Tax:**

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 deposits 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 different geographical segments viz, India and United Arab Emirates and accordingly, geographical wise segment report is given.

**3. Principle of Consolidation:**

Consolidated Financial Statements relates 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 values of like items of Assets, Liabilities, Income and Expenses, after fully eliminating intra - group transactions resulting in unrealized profits or losses.

In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in Foreign Currency Translation Reserve.

The difference between the cost of inventory in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

Minority Interest in the net assets of consolidated subsidiaries is defined and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Shareholders.

Minority Interest in the net assets of consolidated subsidiaries consists of:

- a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence. Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

#### SHARE CAPITAL

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##### Authorised Capital :

100,000,000 Equity Shares of `10/- each (31st March, 2013 : 100,000,000)

	1,000,000,000	1,000,000,000
Total	<b>1000000000</b>	<b>1,000,000,000</b>

##### Issued, Subscribed & Paid up Capital :

2,09,45,637 Equity Shares of `10/- each (31st March, 2013 : 2,09,45,637)

	209,456,370	209,456,370
Total	<b>209,456,370</b>	<b>209,456,370</b>

##### 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                      20,945,637

Issued / Buyback during the Year

-    -

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 share capital, i.e. equity shares having a face 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 neither have any holding company nor associates. None of the subsidiary are holding the shares of the 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:

None of the Shares have been issued for a consideration other than cash or bonus during the period of five years immediately preceding the reporting date and also company did not buyback any of its equity shares during that period.

e. details of shareholder holding more than 5% share in the company.

Name of Shareholder	31st March, 2014		31st March, 2013	
	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Nirved Traders Private Limited	1,524,006	7.28%	1,110,292	5.30%

## 5. Reserves and surplus

### Securities Premium

Opening Balance	685,969,487	665,860,982
<b><u>Add : Addition during the Year</u></b>		
Security Premium on Consolidation	-	3,152,518
Deposit received	-	-
9,97,411 Share Warrant forfeited called up `68 per warrant and paid up `17 per warrant	-	16,955,987
<b>Closing Balance (a)</b>	<b>685,969,487</b>	<b>685,969,487</b>

### Foreign Currency Translation Reserve Account

Opening Balance	2,084,631	-
Add : Addition during the Year	6,323,171	2,084,631
<b>Closing Balance (b)</b>	<b>8,407,802</b>	<b>2,084,631</b>

### Statement of Profit and Loss

Opening Balance		255,063,434	162,087,375
Add : Profit / (Loss) During the Year		(9,450,131)	92,976,058
<b>Closing Balance (c)</b>		<b>245,613,303</b>	<b>255,063,433</b>
	<b>Total(a+b+c)</b>	<b>939,990,592</b>	<b>943,117,552</b>

**6 Money Received against Share Warrants**

21,00,000 No. of Shares Warrants to be issued towards Preferential Allotments at Price of Rs. 10/- Each, Rs.2.5/- paid up per warrant , However the same is pending for approval with the regulatory Authorities.

5,250,000 -

**Total** **5,250,000** -

**7 Long Term Borrowings**

**Term Loan from Banks**

The Catholic Syriyan Bank  
(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 (Other Current Liability)

58,315,433 52,371,041

58,315,433 42,371,041

- **10,000,000**

(Loan is repayable in qaurterly installment of `1 Crore and the installment began from December 2011).

- 2,383,177

Less : Maturity within one Year (Other Current Liability)

- 1,347,588

- **1,035,589**

( Loan is repayable in quarterly installment of Rs. 100,00,000/- and the installment began from December,2011).

### Vehicle Loan from Others

Tata Capital Limited	-	63,917
Less : Maturity within one Year (Other Current Liability)	-	63,917

(The above Vehicle Loans are secured by the First Charge on Vehicles)

- -

(Loan taken from Tata Capital Limited is repayable in equal monthly installment of `9,600/- which began from October month of 2008 and will be fully repaid in the month October month of 2013).

Public Deposit	96,155,000	110,061,000
Less : Maturity within one Year (Other Current Liability)	38,621,000	22,517,000
	<b>57,534,000</b>	<b>87,544,000</b>

### Repayment Schedule

Year	2013-14	2014-15	2015-16
<b>Repayment Amount</b>	22,517,000	28,725,000	58,819,000

- 169,160

**Total** 57,534,000 100,096,337

### The above amount includes:

Secured Borrowing - 11,035,589

Unsecured Borrowing 57,534,000 87,713,160

**Total** 57,534,000 98,748,749

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The Break up of deferred tax (Laibility)/Assets as at 31st March,2014 is as unc  
Parent Company ( India )

Particulars	Credit/ (Charge)	31/03/2014	31/03/2013
<b>a) Deferred Tax Liability</b>		-	
WDV of Fixed Assets	(1,684,464)	(12,535,888)	(10,851,424)
<b>b) Deferred Tax Asset</b>			
Provision for Gratuity and Leave Encashment	(323,083)	150,335	473,418
Preliminary Expenses in connection with Initial Public Offer and Global Depository Receipt	(4,274,310)	2,148,516	6,422,826
Carried Forward Lossess	45,712,336	45,712,336	
	41,114,943	48,011,187	6,896,244
<b>Total Deferred Tax (Liability)/ Asset</b>	<b>39,430,480</b>	<b>35,475,300</b>	<b>(3,955,180)</b>

The Deferred Tax assets , not recognized as at the year end on the basis of prudence, would be accounted in the subsequent year/years considering the requirements of the Accounting Standard (AS) 22 on "Accounting for Taxes on income ", regarding reasonable / virtual certainty and the accounting policy followed by the Company in this respect.

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### 9. Long Term Provisions

#### Provision for Post Employment Benefits

	930,744	1,945,311
Provision for Gratuity ( Unfunded ) ( refer note no. 27 )		
Leave Encashment ( Unfunded ) ( refer note no. 27 )	-	-
	<b>930,744</b>	<b>1,945,311</b>
Leave Encashment	-	614,157
Less : Provide for Current Services	-	58,729
	-	<b>555,428</b>
<b>Total</b>	<b>930,744</b>	<b>2,500,739</b>

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**10. Short Term Borrowings****Cash Credit sanctioned from Bank (Secured)**

The Catholic Syriyan Bank (The above Cash Credit secured by the Equitable Mortgage of Office Premises and Hypothecation of Book Debts this amount includes overdue interest )	123,024,841	112653437
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Term Loan From The Catholic Syriyan Bank Ltd. ( Loan is repayable in Quaterly installment of Rs. 100,00,000/- for this financial year , However the overdue principal amount of Rs. 1,00,00,000/- along with the interest amount has been classified under the head of current liabilities )	40,000,000	-
---	------------	---

Bank of India (The above Cash Credit secured by Hypothecation of Assets, Stock and Receivables)	10,300,287	10,154,445
Interest Free Loan ( received from related party payable on demand )	-	35,550,000

Public Deposit ( Amount payable in Finacial Year 2014-2015 )	28,725,000	-
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<b>Total</b>	<b>173,325,128</b>	<b>158,357,882</b>
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**The above amount includes:**

Secured Borrowing	173,325,128	122,807,882
Unsecured Borrowing - Others	28,725,000	35,550,000
Unsecured Borrowing - Gr. Companies	77,162,776	-

<b>Total</b>	<b>279,212,904</b>	<b>158,357,882</b>
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**12. Trade Payables****Unsecured and Considered Good**

Due to Micro and Small Enterprises	-	-
Others	471,009,419	752,911,498
<b>Total</b>	<b>471,009,419</b>	<b>752,911,498</b>

12	<p><b>Other Current Liabilities</b></p> <p><b><u>Long Term Borrowing Payable within a Year</u></b></p> <p><b>Term Loan from Banks</b></p> <p>The Catholic Syriyan Bank 18,315,433 42,371,041</p> <p>( Amount Includes Overdue Principal Amount of Rs. 100,00,000/- along with the Interest Amount of Rs. 83,15,433/-)</p> <p>Bank of India 1,254,276 1,347,588</p> <p><b>Vehicle Loan from Banks</b></p> <p>Tata Capital Limited - 63,917</p> <hr/> <p><b>Public Deposit</b> 9,896,000 22,517,000</p> <hr/> <p>( Amount Includes Principal Amount due )</p> <p><b><u>Duties and Taxes</u></b></p> <p>Tax Deduction at Source 1,478,861 4,318,513</p> <p>Service Tax to be paid on Reverse Charge Mechanism 55,620 55,620</p> <p>Contribution to Employee benefit Statutory Fund and Professional Tax 130,696 189,847</p> <p>Vat Tax Payable 42,904 -</p> <p>Deposit Received 2,665,500 3,041,500</p> <p><b><u>Other Liabilities</u></b></p> <p>Payable to Employees 529,122 2,642,219</p> <p>Sundry Creditors Others 5,160,548 4,504,058</p> <p>Advance from Customers 3,563,588 6,981,242</p> <hr/> <p style="text-align: right;"><b>Total</b> 43,092,548 88,032,545</p> <hr/>
13	<p><b>Short Term Provisions</b></p> <p><b><u>Income Tax Payable</u></b></p> <p>Income Tax Payable 4,522,613 9,269,352</p> <p>Provision for Interest on Statutory Dues 4,735,891 3,729,173</p> <p>Provision for Expenses 320,674,776 13,703,170</p> <p>Provision for Gratuity for Current Services 14,685 20,311</p> <p>Provision for Leave Encashment for Current Services - 58,729</p> <hr/> <p style="text-align: right;"><b>Total</b> 329,947,965 26,780,735</p> <hr/>



**BIRLA SHLOKA EDUTECH LIMITED**

**SCHEDULES TO BALANCE SHEET AS ON 31ST MARCH, 2014.**

**Schedule 14  
FIXED ASSETS**

Sr. No.	Description of Asset	Gross Block		Depreciation		Net Block			
		As on 01-April-13	As on 31-March-14	As on 01-April-13	As on 31-March-14	As on 31-March-14	As on 31-March-13		
		Additions	Deletions	Provided for the Year	Adjusted				
<b>1</b>	<b>TANGIBLE ASSETS</b>								
a.	Office Building	48,039,695	-	48,039,695	1,461,598	-	16,290,739	31,748,956	33,210,555
b.	Shop Building	5,209,907	-	5,209,907	263,718	-	3,860,163	1,349,744	1,613,462
c.	Computer Systems	27,181,502	17,714	27,199,216	3,590,845	-	21,804,708	5,394,508	8,967,639
d.	Furniture & Fixtures	9,555,651	-	6,352,886	1,346,746	2,029,467	5,540,885	812,001	3,332,044
e.	Office Equipments	7,742,424	-	6,687,643	652,883	551,860	3,006,538	3,681,105	4,836,909
f.	Vehicles	1,656,936	-	1,656,936	143,868	-	1,245,114	411,822	555,690
g.	Land	344,487,805	-	344,487,805	-	-	-	344,487,805	344,487,805
	<b>Subtotal - Tangible Assets</b>	<b>443,873,920</b>	<b>17,714</b>	<b>439,634,088</b>	<b>7,459,658</b>	<b>2,581,327</b>	<b>51,748,147</b>	<b>387,885,941</b>	<b>397,004,104</b>
<b>2</b>	<b>INTANGIBLE ASSETS</b>								
a.	Computer Software (Content)	41,252,026	126,108,337	167,360,363	50,151,465	-	61,740,569	105,619,794	29,662,922
b.	Computer Software (Other)	211,829,347	-	211,829,347	11,991,975	-	160,688,224	51,141,123	63,133,099
c.	Goodwill	3,380,874	-	3,380,874	-	-	-	3,380,874	3,380,874
d.	Goodwill on Consolidation as per Accounting Standard - 21	21,863,120	558,858	22,421,978	-	-	-	22,421,978	21,863,120
	<b>Subtotal - Intangible Assets</b>	<b>278,325,367</b>	<b>126,667,195</b>	<b>404,992,562</b>	<b>62,143,440</b>	<b>-</b>	<b>222,428,792</b>	<b>182,563,770</b>	<b>118,040,015</b>
<b>3</b>	<b>DEVELOPMENT</b>	458,515,187	26,512,680	358,919,530	-	-	-	358,919,530	458,515,187
	<b>Grand Total [(1)+(2)+(3)+(4)]</b>	<b>1,180,714,474</b>	<b>153,197,589</b>	<b>1,203,546,180</b>	<b>69,603,098</b>	<b>2,581,327</b>	<b>274,176,939</b>	<b>929,369,241</b>	<b>973,559,306</b>

**Note:**

1. Work in Progress (WIP) includes Advances given for the Tribal Project & Maharashtra Project Amount in '19,60,90,878/-.
2. Work in Progress in Tribal Project includes assets in possession of Company but not put to use accordingly, no Depreciation has been charged.
3. Opening Gross Block and Accumulated Depreciation of the Company consists of Closing Gross Block and Accumulated Depreciation as on 31st March, 2012 and Closing Gross Block and Accumulated Depreciation of the Subsidiary "Ojas Healthcare Private Limited" acquired during the year.

15	<b>Non Current Investments</b>		
	<b>Unquoted</b>		
	<b><u>Investment In Assocaites</u></b>		
	English Learning Group Private Limited	7,318,260	5,000,000
	English Learning Group Private Limited ( SAARC )	1,331,500	1,331,500
	<b>Investment in Mutual Fund</b>		
	Enn Vee Holdings Private Limited	100,500,000	100,500,000
	Templeton Treasury Management	5,601	5,601
	<b>Total</b>	<b>109,155,361</b>	<b>106,837,101</b>
16	<b>Other Non Current Assets</b>		
	<b>Security Deposits Given</b>		
	Tender Deposits	475,000	475,000
	Sundry Deposits	1,000	1,000
	Capital Advances	117,731,793	124,922,940
	Others		
	Advances Recoverable in Cash or Kind or for Value to be received		
	Service Tax	5,466,826	6,999,943
	Value Added Tax and Central Sales Tax	2,479,649	2,901,534
		-	
	<b>Total</b>	<b>126,154,268</b>	<b>135,300,417</b>
17	<b>Inventories</b>		
	(Verified and Valued by Management)		
	Finished Goods and Work in Progress	104,989,309	109,585,170
	<b>Total</b>	<b>104,989,309</b>	<b>109,585,170</b>
18	<b>Trade Receivables</b>		
	More than Six Months - Considered Good	115,674,673	238,277,077
	Others	499,850,552	663,571,274
	<b>Total</b>	<b>615,525,225</b>	<b>901,848,351</b>

**The above amount includes:**

Related Party covered under section 301 (Refer Note No.34)	9,076,049	5,882,886
Others	606,449,176	895,965,465
<b>Total</b>	<b>615,525,225</b>	<b>901,848,351</b>

(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).

19

**Cash and Bank Balances**

**Cash and Cash Equivalents**

**Cash in Hand**

41,372

1,867,236

**Balances with Bank**

4,394,427

5,282,215

Cheques in Hand

500,000

500,000

**Total (a)**

**4,935,799**

**7,649,451**

**Other Bank Balances**

**Fixed Deposit**

Bank of India

2,743,996

408,174

(Company has kept the above deposit as lien for obtaining Bank Guarantee in favour of Tribal Department of Maharashtra from Bank of India).

The Catholic Syrian Bank Limited

8,048,885

3,941,767

(Company has kept the above deposit as lien for obtaining Bank Guarantee in favour of Maharashtra State education Board from The catholic Syriyan bank Limited ).

Corporation Bank

40,345

-

**Total (b)**

**10,833,226**

**4,349,941**

**Total (a+b)**

**15,769,025**

**11,999,392**

20	Short Term Loans and Advances		
	<b>Advances recoverable in cash or in Kind</b>		
	Loans and Advances to Related Parties (The above loans are carrying receivable on demand and are carrying a Interest @15.00%).	55,899,418	68,371,869
	Interest Accured on Loan Granted but not due ( On Related Parties )	13,053,041	7,809,001
	Loans and Advances to Others	70,528,876	7,449,156
	<b>Total (a)</b>	<b>139,481,335</b>	<b>83,630,026</b>
	<b>Other Loans and Advances</b>		
	MAT Credit Entitlement	12,904,028	11,070,344
	Prepaid Expenses	2,735,440	3,166,858
	Loan to Employees	4,644,551	4,386,163
	Security Deposit	6,413,212	14,805,708
	<b>Total (b)</b>	<b>26,697,231</b>	<b>33,429,074</b>
	<b>Total(a+b)</b>	<b>166,178,566</b>	<b>117,059,100</b>
21	Other Current Assets		
	Advance to Creditors	1,983,607	1,929,192
	Other Current Assets	306,679,187	5,27,119
	<b>Total</b>	<b>308,662,794</b>	<b>2,456,311</b>
22	<b>Other Income</b>		
	Rent	6,217,562	5,913,935
	Interest	6,374,526	9,026,453
	Profit on Sale of Assets	-	4,435,831
	Miscellaneous Income	5,608,372	2,020,180
	<b>Total</b>	<b>18,200,460</b>	<b>21,396,399</b>

23	Changes in Inventories of Finished Goods, Work-in-Progress		
	Opening Stock	109,585,170	109,968,486
	Less:Capitalised during the Year	-	
	Less:Closing stock	104,989,309	109,585,170
	Change in Stock	<b>4,595,861</b>	<b>383,316</b>
24	<b>Employee benefits expense</b>		
	Salary and Other Allowances	26,063,911	38,037,732
	Short Term Employment Benefit	5,42,159	1,718,924
	<b>Total</b>	<b>26,606,070</b>	<b>39,756,656</b>
25	Finance Cost		
	Interest	40,711,582	37,537,062
	Interest on Statutory Dues	1,670,305	2,894,772
	Bank charges	1,508,653	1,248,449
	Loan Processing Charges	200,000	410,080
	Commission on Public Deposit scheme	8,695	1,568,725
	<b>Total</b>	<b>44,099,235</b>	<b>43,659,089</b>
26	<b>Administration expenses</b>		
	Rent	6,379,945	12,305,475
	Electricity	1,307,662	1,903,930
	Communication	998,493	1,158,229
	Listing Fee	103,107	160,112
	Professional Fee	336,402,982	106,141,637
	<u>Audit Remuneration</u>		
	Audit Fee	3,50,000	5,85,000
	Others	1,00,000	120,000
	Charity and Donation	5,731,848	5,686,360
	Travelling and Conveyance	3,666,390	4,121,089
	Director Sitting Fee	100,000	1,30,000
	Loss on Assets written off	1,566,218	9,38,866
	Other Administration Expenses	17,277,404	19062071
	<b>Total</b>	<b>373,984,049</b>	<b>152,312,770</b>

27	Cash and Cash Equivalents		
	Cash in Hand	41,372	1,867,236
	Cash at Bank	4,935,798	7,649,451
	Fixed Deposit with Banks (having maturity less than 90 Days)		
	<b>Total</b>	<b>4,977,171</b>	<b>9,516,687</b>

28 **Earnings per Equity Share:**

	Basic	(0.45)	4.44
	Diluted	(0.45)	4.26
	Net Profit considered for Calculation of Earning per Share	(9,450,131)	92,976,058

**Number of Shares taken for Calculation of EPS**

	Basic	20,945,637	20,945,637
	Diluted	21,072,212	21,817,347

29 **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**

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	31st March, 2014	31st March, 2013
Current Service Cost	2,95,208	3,38,090
Interest Cost on Benefit Obligation	86,747	87,112
Expected return on Planned Assets		
Net actuarial (Gain) / Loss	(979,768)	(365,716)
Past Service Cost		
Net benefit expense	<b>(597,813)</b>	<b>59,486</b>

Balance Sheet

Details of Provision for gratuity	31st March, 2014	31st March, 2013
Defined Benefit Obligation	1,084,334	1,084,334
Fair value of Planned Assets	-	-
Amount recognized in the balance sheet	1,084,334	1,084,334

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

	31st March, 2014	31st March, 2013
Opening defined benefit obligation	1,084,334	1,361,663
Interest Cost	86,747	87,112
Current Service Cost	2,95,208	3,38,090
Benefits paid	-	-
Actuarial (Gains) / Losses on obligation	(979,768)	(365,716)
Closing defined benefit obligation	486,521	1,42,119

**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, 2014	31st March, 2013
Future Salary Rise	0.06	0.06
Rate of Discounting	0.08	0.08
Arbitration Rate	0.02	0.02

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. During the current year the management has changed the Leave Encashment Policy. Accordingly no Leave Encashment will be allowed during tenure / retirement from services . Hence no provision is made . In the previous year provision towards Leave Encashment was made on the basis of actuarial valuation as per Accounting Standard 15 ( Revised )

### 30 Contingent Liabilities

- a) Company has to pay part of the Self Assessment Tax of the Financial Year 2010 - 2011 ,2011 - 2012 and 2012-2013 . 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 which is not so far provided.
- b) The Company has received an Order of Assessment of Tax under Central Sales Tax Act 1956 See R 9A of the CST (Bombay ) Rules 1957 Accounting Year 2009-2010 demanding Rs. 624090/- The Company is in the process of making an appeal against the said assessment
- c) The Company has received an Order of Assessment of Tax under MVAT Act 2002 for Assessment Year 2009-2010 demanding Rs. 3,42,81,235/- The Company is in the process of making an appeal against the said assessment order before te MVAT Authorities.  
The Company expects that the matter will be resolve in Company's favour and no liability is expected.



<b>31. Segment Reporting</b>			
(Previous Year Figures are given in brackets)		( in Rupees )	
Geographical Segment	India	UAE	Total
<b>Segment Revenue</b>			
Income from Segment	2,314,229,959	500,838,442	2,815,068,401
	(2,248,300,292)	(223,314,772)	(2,471,615,064)
Less : Intersegment Sales Eliminations	-	-	-
	-	-	-
	2,314,229,959	500,838,442	2,815,068,401
	(2,248,300,292)	(223,314,772)	(2,471,615,064)
<b>Segment Results</b>			
Profit / (Loss) before Tax and Interest from segme	98,064,123	40,900,326	138,964,449
	(87,642,931)	(14,993,546)	(102,636,477)
Less : Intersegment Profit Eliminations	-	-	-
	-	-	-
Less : Finance Cost	43,599,726	59,363	43,659,089
	(28,200,984)	(63,143)	(28,264,127)
	-	-	-
<b>Total Profit of Segment before Tax</b>	<b>54,464,397</b>	<b>40,840,963</b>	<b>95,305,360</b>
	(59,441,946)	(14,930,403)	(74,372,350)
Provision for Tax	3,178,893	-	3,178,893
	(20,879,421)	-	(20,879,421)
<b>Total Profit of Segment after Tax</b>	<b>51,285,504</b>	<b>40,840,963</b>	<b>92,126,467</b>
	(38,562,525)	(14,930,403)	(53,492,929)
<b>Capital Employed</b>			
<b>Segment Assets</b>	<b>2,267,409,889</b>	<b>81,333,783</b>	<b>2,348,743,672</b>
	(1,905,417,759)	(17,255,077)	(1,922,672,836)
<b>Segment Liabilities (does not include Minority Interest)</b>	<b>1,098,440,200</b>	<b>22,945,650</b>	<b>1,121,385,849</b>
	(819,897,170)	(1,792,538)	(821,689,708)
<b>Net Assets</b>	<b>1,168,969,689</b>	<b>58,388,133</b>	<b>1,227,357,822</b>
	(1,085,520,589)	(15,462,539)	(1,100,983,128)

32 Related Party Disclosures

i. List of Parties

a. Key Management Personnel

Mr. Yashovardhan Birla – Chairman

Mr. Girdhari Lal Lath – Managing Director

2,267,409,889 81,333,782

b. Subsidiary

1,905,417,759 17,255,077

Birla Edutech Limited - 86.53% Shareholding

1,098,440,200 22,945,649

Birla Shloka Edutech Limited, FZE - 100.00%  
Shareholding

819,897,170 1,792,538

Ojus Healthcare Private Limited - 51.10%

Shareholding

1,168,969,689 583,881,323

1,085,520,589 15,462,539

c. Associate

English Learning Group Private Limited

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

Birla Electrical Limited

Birla Global Corporate Limited

Birla Cotysn Limited

Biral Bombay Private limited

Biral Kerla Vaidayashala Pvt. Ltd.

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

Birla Aircon Infrastructure Private Limited

Asian Distributors Private Limited

English Learning Group Private Limited

**ii. Related Party Transactions:**

Particulars of Related Party Transaction	Nature of Transaction	Amount
Relation with the Party	Salary	NIL
Key Management Personnel	Loans & Advances Granted	13,800,000
Enterprises Owned or Significantly Influenced by Key Management	Granted Loan & Advance Recovered	11,418,799

Sr. No.	Name of the Party	Relation with the party	Balance Outstanding	Maximum Outstanding
1	Birla Edutech Limited	Subsidiary	12,639,336	14,471,541
2	Ojus Healthcare Private Limited	Subsidiary	-	2,900,000
3	Birla Shloka Edutech Limited - FZE	Subsidiary	-	-
4	English Learning Group (SAARC) Limited	Associate	-	-
5	Birla Global Corporate Limited	Company Registered Under Same Management	15,605,502	15,605,502
6	Godavari Corporation Private Limited	Company Registered Under Same Management	-	10,763,425
7	Nirved Traders Private Limited	Company Registered Under Same Management	13,526,741	13,651,741
8	Shearsons Investments & Trading Co.	Company Registered Under Same Management	-	11,293,799
9	Zenith Birla India Limited	Company Registered Under Same Management	7,674,040	7,674,040
10	Birla Power Solutions Limited	Company Registered Under Same Management	(39,576,201)	(50,870,000)
11	Birla Surya Limited	Company Registered Under Same Management	204,828	204,828
12	Birla Costyn India Limited	Company Registered Under Same Management	(2,036,575)	10,763,425
13	Melstar Information & Technologies Limited	Company Registered Under Same Management	8,311,902	8,311,902
14	Birla Aircon Infrastructure Pvt Ltd	Company Registered Under Same Management	-	2,738,600
15	Birla Trasasia Carpets Limited	Company Registered Under Same Management	1,552,484	1,552,484
16	English Learning Group Private Limited	Company Registered Under Same Management	1,308,737	2,120,540
17	Birla Bombay Private Limited	Company Registered Under Same Management	5,375,000	5,375,000
18	Birla Kerala Vaidyashala Private Limited	Company Registered Under Same Management	500,000	500,000

Note : Negative denotes credit amount, whereas positive denotes Debit Amount.

**SUMMARIZED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARY OF THE COMPANY IN COMPLIANCE WITH THE 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 8TH FEBRUARY 2011**

In Terms of General Circular issued by the Central Government under Sec\_ on 212(8) of the Companies Act, 1956 vide Circular No. 5/12/2007-CL-III dated 08th February, 2011, exempted the Company from a\_ aching the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies to its Annual Accounts for the year ended 31.3.2014. Information on as required in terms of the aforesaid General Circular is furnished below:

Name of subsidiary company	Country of Incorporation	Financial Year ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation
Birla Shloka Edutech limited FZE	United Arab Emirates (UAE)	March 31,2014	UAE INR	35000 570500	4395437 71645623.1	5164802 84,186,272	734365 11907149	NIL	23786225 369875798	482625 7504818	NIL	482625 7504818
Birla Edutech limited	India	March 31,2014	INR	45,000,0000	(1,69,22,496)	50,47,34,727	71657223	NIL	8,42,736	5,38,540	NIL	(18,57,460)
Ojus Healthcare Private Limited	India	March 31,2014	INR	2,44,60,230	1,32,46,545	5,48,69,477	5,48,69,477	5,601	1,60,75,044	6,63,575	NIL	6,63,575

**Notes:**

- The above Subsidiary has not proposed any dividend.
- The Company shall provide to any member on request the Annual Accounts of the subsidiary and other related information at any point of time. Copies of the Annual Accounts of the Subsidiary shall also be available for inspection by any member at the Registered Office of the Company and its subsidiary on any working day.
- Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate : 1 UAE = Rs. 16.30 (Balance Sheet) and 1 UAE = Rs. 15.55 (Profit and Loss)

Mumbai,

Dated: May 23, 2014

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

**Ashish Mahendrakar** M. S. Adige  
Managing Director Director

**Vineet Tripathi**  
Company Secretary

**Neelesh Kadam**  
Chief Financial Officer

**BIRLA SHLOKA EDUTECH LIMITED**

Melstar House, G-4, MIDC, Cross Road A, Andheri East, Mumbai – 400093

**MGT – 11 PROXY FORM**

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

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**Name of the Company:** BIRLA SHLOKA EDUTECH LIMITED

**Registered Office:** Industry House, 159 Churchgate Reclamation House, Mumbai 400 020

**CIN:** L74999MH992PLC066910

**Tel.:** 022-33067777, **Fax:** 022-28316258

<b>Name of the Member</b>			
<b>Registered Address</b>			
<b>Email ID</b>			
<b>Folio No. / Client ID</b>		<b>DP ID:</b>	

I / we, being the member(s) of \_\_\_\_\_ shares of Birla Shloka Edutech Limited, hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ having email ID \_\_\_\_\_ or falling him
2. \_\_\_\_\_ of \_\_\_\_\_ having email ID \_\_\_\_\_ or falling him
3. \_\_\_\_\_ of \_\_\_\_\_ having email ID \_\_\_\_\_ or falling him

And whose signature(s) are appointed below as my/our proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Saturday, 27<sup>th</sup> September, 2014 at 11:00 at Gopi Birla Memorial School, 68, Walkeshwar Road, Malabar Hill, Mumbai – 400006 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Details of Resolution for Approval	Vote Cast	
		For	Against
1			
2			
3			
4			

5			
6			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_ Signature of Proxy Holder(s) \_\_\_\_\_

Affix Re. 1/- Revenue Stamp
--------------------------------------

Signature(s) across the stamp

**Note:** 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than **48 hours** before the commencement of the Meeting.  
2. Please complete all the details before submission.

### ATTENDANCE SLIP

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

Joint shareholders may obtain additional slip at the venue of the meeting

DP ID:	
Folio No:	
Client ID:	
Name and Address of Shareholder:	
No of shares held:	

I hereby record my presence at the Twenty Second Annual General Meeting of the Company held on Saturday, 27<sup>th</sup> September, 2014 at 11:00 AM at Gopi Birla Memorial School, 68, Walkeshwar Road, Malabar Hill, Mumbai – 400006.

\_\_\_\_\_  
Signature of Shareholder/Proxy

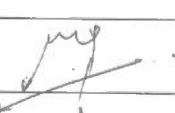
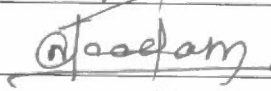

# BIRLA SHLOKA EDUTECH LTD.



Melstar House, G-4, M.I.D.C., Cross Road 'A', Andheri (E), Mumbai - 400 093.  
Tel: +91-22-4102 6565 • Fax : +91-22-2831 6258 • E-mail : marketing@shlokaybg.com

## FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particular	Details
1	Name of the Company	Birla Shloka Edutech Limited
2	Annual consolidated financial statement for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit Observation	<p><b>Acceptance of Deposit:</b> The Auditors in the annexure to the audit report have made an observation with respect to the Public Deposit of Rs. 15,000/- accepted by the company that Company has complied all the provisions and rules except the rule framed regarding the maintenance of liquid assets by the Companies (Acceptance of Deposit) Rules, 1975, where the Company has not maintained the liquidity as prescribed in the rule for repayment of Deposit: Management Response:- The Company had maintained the liquidity as prescribed in the rules however the same was not in the prescribed form as laid down in the Companies (Acceptance of Deposit) Rules, 1975. The Company undertakes to maintain the liquidity in prescribed form as laid down in the Companies (Acceptance of Deposit) Rules, 1975.</p>
4	Frequency of observation	Two years
5	To be signed by:	
	• Managing Director	Mr. Ashish Mahendrakar 
	• CFO	Mr. Neelesh Kadam 
	• Audit Committee Chairman	Mr. M. S. Adige 
• Auditor of the Company	Mr. Jaiprakash Upadhayay 