

EDUEXEL INFOTAINMENT LIMITED
(Formerly TGF Media System Limited)

TWENTIETH ANNUAL REPORT

2010 - 2011

Corporate Information

BOARD OF DIRECTORS

Chidambaram Vasan	Chairman
Soumobroto Ganguly	Executive Director
Mehool Parekh	Executive Director
Shreyas S Shah	Independent Director
Prabir Kumar Sarkar	Independent Director

Inside the Pages

Notice of AGM	3
Directors' Report	11
Auditors Report	25
Balance Sheet	28
P & L Account	29
Schedules	30
Cash Flow	34
Notes to Accounts	35

Auditors

Brahmananda & Co.
No. 1 Janani Flats
122C TTK Road, Alwarpet
Chennai – 600 018
E-mail viswafca@gmail.com

Bankers

HDFC Bank, Andheri West , Mumbai
Shamrao Vithal Co op Bank, Chennai

Registrar & Share Transfer Agent

BTS Consultancy Services Pvt. Ltd.
No. 4 Ramakrishna Nagar
Near Kumaran Matriculation School
Villivakkam
Chennai – 600 049

Registered Office

No. 71, Nehru Nagar Industrial Estate
2nd Link Street, Kottivakkam
Old Mahabalipuram Road
Chennai – 600 041

EDUEXEL INFOTAINMENT LIMITED

Registered Office: # 71, Nehru Nagar Industrial Estate, 2nd Link Street, Kottivakkam, Chennai-41

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of the Company will be held on the 12th day of July, 2011 at 10.30 a.m. at the Asha Niwas, No.9, Rutland Gate, 5th Street, Chennai – 600 006 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. C Vasam who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration. The retiring Auditors M/s. Brahmananda and Co., Chartered Accountants are eligible for re-appointment. In this connection, to consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“Resolved That M/s. Brahmananda and Co., Chartered Accountants be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be determined by the Board of Directors.”

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

APPOINTMENT OF MANAGING DIRECTOR:

RESOLVED THAT Mr. Soumoproto Ganguly, who was appointed as an Additional Director by the Board of Directors of the company at their meeting held on 10th May, 2011, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of the Annual General Meeting and in respect of whom the Company has received a Notice in writing, under section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr. Soumoproto Ganguly as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company.

" FURTHER RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the members of the company in general meeting, the approval of the Board be and is hereby accorded for the appointment of Mr. Soumoproto Ganguly, Director as Managing Director of the company for a period of Five years with effect from 05.05.2010 on non-rotational basis, on a remuneration not exceeding the limits mentioned under the Companies Act 1956."

"RESOLVED FURTHER THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to, in such manner as may be agreed to between the Board of Directors and the Managing Director provided, however, that the remuneration payable to him shall not exceed the limits prescribed under Section 198 & Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of 5 years, the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the above resolution."

5. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

APPOINTMENT OF WHOLE-TIME DIRECTOR:

"RESOLVED THAT Mr. Mehool Parekh, who was appointed as an Additional Director by the Board of Directors of the company at their meeting held on 10th May, 2011, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of the Annual General Meeting and in respect of whom the Company has received a Notice in writing, under section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr. Mehool Parekh as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company".

" FURTHER RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the members of the company in general meeting, the approval of the Board be and is hereby accorded for the appointment of Mr. Mehool Parekh, Director as Whole-Time Director of the company for a period of Five years with effect from 05.05.2010 on rotational basis, on a remuneration not exceeding the limits mentioned under the Companies Act 1956."

"RESOLVED FURTHER THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to, in such manner as may be agreed to between the Board of Directors and the Whole-Time Director provided, however, that the remuneration payable to him shall not exceed the limits prescribed under Section 198 & Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of 5 years, the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the above resolution."

6. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Shreyas S Shah, who was appointed as an Additional Director by the Board of Directors of the company at their meeting held on 10th May, 2011 , pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of the Annual General Meeting and in respect of whom the Company has received a Notice in writing, under section 257 of the Companies Act, 1956 , from a Member signifying his intention to propose Mr. Shreyas S Shah as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the above resolution."

7. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Prabir K Sarkar, who was appointed as an Additional Director by the Board of Directors of the company at their meeting held on 10th May, 2011 , pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of the Annual General Meeting and in respect of whom the Company has received a Notice in writing, under section 257 of the Companies Act, 1956 , from a Member signifying his intention to propose Mr. Prabir K Sarkar as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the above resolution."

8. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

INCREASE OF AUTHORIZED CAPITAL:

“RESOLVED THAT pursuant to the provisions of section 94 and other applicable provisions, if any, of the Companies Act, 1956 the authorized capital of the company be and is hereby increased from Rs. 10,00,00,000 to Rs.30,00,00,000 by creation of additional equity share capital of Rs.20,00,00,000 divided into 2,00,00,000 equity shares of Rs.10/- each “.

“FURTHER RESOLVED THAT any of the Directors of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies to give effect to the above.”

9. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

ALTERATION OF MEMORANDUM OF ASSOCIATION

“RESOLVED THAT pursuant to the provisions of section 16 and other applicable provisions, if any, of the Companies Act, 1956 the existing Clause V of the Memorandum of Association of the company be and is hereby deleted and the following new Clause V be inserted in its place which reads as follows:

The authorized share capital of the company is Rs.30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore only) Equity Shares of Rs.10/- (Rupees One Ten only) each and with the rights, privileges or conditions attached thereto as provided by the regulations of the company for the time being with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided in the regulation of the company”.

10. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

ALTERATION OF ARTICLES OF ASSOCIATION

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company, be and is hereby altered by deleting the existing Article 4 and substituting in its place and instead thereof, the following new Article 4 :

“The Authorized Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crore Only) divided into 3,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each.”

“FURTHER RESOLVED THAT any of the Directors of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies to give effect to the above.”

For and on behalf of the Board

Place: Chennai
Date: 09-06-2011

C Vasan
CHAIRMAN

NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE SENT SO AS TO REACH AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.

The Register of Members and Share Transfer Books of the Company shall remain closed from 9th July, 2011 to 12th July, 2011 (both days inclusive).

Members/ Proxies should bring the Attendance slip duly filled in for attending the meeting.

Members holding shares in Physical form are requested to notify immediately to our Registrar and Share Transfer Agent, M/s. Bts consultancy Services Pvt Ltd, No.4, Near Kumaran Matriculation School, Ramakrishna Nagar, Villivakkam, Chennai-600049, Tamil Nadu, any change in the address. Members holding shares in Electronic should inform change in address to their respective Depository Participants

Members are requested to intimate immediately, change in their address, at the registered office of the company.

RESUME OF THE DIRECTORS BEING APPOINTED/ REAPPOINTED:

As per Clause 49 of the Listing Agreement, a brief resume and functional expertise of the Director proposed for reappointment is furnished along with the details of Companies in which he is Director and the Board Committees of which he is member:

Mr.C.Vasan:

He is a film director and producer. An engineering graduate by qualification ventured into the entertainment industry in 1986. He promoted the present company in 1990. He has directed and produced many successful films over the years. He is also considered among the foremost distributor of films in south India. He started producing T.V. Serials in 1994 and his production was adjudged best serial in that year.

Mr.Soumbroto Ganguly:

He is a versatile entrepreneurial executive with 14+ years of experience in business development, marketing, finance, fund raising and general management. Currently founder and chairman of moxie group, a renowned independent film production and distribution company, head quartered at kolkatta. The company has no of films to its credit for production and distribution.

Mr. Mehool Parekh:

A well known finance and investment adviser. A lead investor in India's first indigenous film completion bond company with track record of financing and bonding mainstream films. He has been a co founder and managing partner of the investment advisor of the E-India Venture fund/ infinity fund II, an affiliate of Advent international since 2011.

Mr.Prabir Kumar Sarkar:

A Professional accountant having 35+ years experience in the field of finance, cash flow management project planning, statutory compliance, acquisition and merger, income tax and others statutory matters. He has vast exposure in dealing with banks and shareholders.

Mr.Shreyas S Shah:

A young dynamic personality having excellent knowledge of capital market operations. He brings in the vision of the “Next –gen” in entertainment industry for infusion in the company.

Explanatory Statement for the Items 3 to 10 are given below:

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO:4

The board of directors has appointed Mr.Soumobroto Ganguly as Additional Director at the board meeting held on 10th May, 2011. As an additional director, he is liable to condition that he can hold the office only upto the date of the Annual General Meeting. In the meanwhile, the company has received the notice in writing from the member signifying his intention to propose Mr.Soumobroto Ganguly as candidate for the office of director. The board of director has appointed him as director, on non-rotational basis with effective from 10th May, 2011.

Having considered the requirements of the skill and ability of Mr.Soumobroto Ganguly to the company, the Board of Directors has decided to appoint him as Managing director at the ensuing Annual General Meeting and the resolution Item No: 3 is being placed before the shareholders for their approval.

As required under Section 302 of the Companies Act, 1956, the abstract of the terms of appointment of Mr. Mr.Soumobroto Ganguly and the memorandum signifying the concern or interest of the directors therein is stated.

Provided that in case of loss or inadequacy of profit in any financial year, the remuneration as may be decided by the board of directors, will be treated as the minimum remuneration payable to the Directors since the same is within the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956.

Mr. Soumobroto Ganguly shall not be liable to retire by rotation as Director.

None of the directors are interested in the above resolution except Mr.Soumobroto Ganguly.

ITEM NO: 5

The board of directors has appointed Mr.Mehool Parekh as Additional Director at the board meeting held on 10th May, 2011. As an additional director, he is liable to condition that he can hold the office only upto the date of the Annual General Meeting. In the meanwhile, the company has received the notice in writing from the member signifying his intention to propose Mr.Mehool Parekh as candidate for the office of director. The board of director has appointed him as director, who is liable to retire by rotation with effective from 10th May, 2011. Having considered his needs to the company, the Board of Directors had decided to appoint of Mr.Mehool Parekh as Whole-Time Director of the company at the ensuing Annual General Meeting and the resolution item no:4 is being placed before the shareholders for their approval.

As required under Section 302 of the Companies Act, 1956, the abstract of the terms of appointment of Mr. Mr.Mehool Parekh and the memorandum signifying the concern or interest of the directors therein is stated.

Provided that in case of loss or inadequacy of profit in any financial year, the remuneration as may be decided by the board of directors, will be treated as the minimum remuneration payable to the Directors since the same is within the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956.

None of the directors are interested in the above resolution except Mr.Mehool Parekh.

ITEM NO: 6

The board of directors has decided to appoint Mr.Shreyas S Shah, Additional director as director of the company at the ensuing Annual General Meeting subject to the condition of holding the office by the additional directors only upto the date of Annual General Meeting. At the same time the company has received the notice in writing from the member signifying his intention to propose Mr.Shreyas S Shah as candidate for the office of director. The board of director has appointed him as director, who is liable to retire by rotation with effective from 10th May, 2011 subject to the approval of the members. Therefore the resolution items no: 5 is being placed before the shareholders for their approval.

None of the directors are interested in the above resolution except Mr.Shreyas S Shah.

ITEM NO: 7

The board of directors has decided to appoint Mr.Prabir K Sarkar, Additional director as director of the company at the ensuing Annual General Meeting subject to the condition of holding the office by the additional directors only upto the date of Annual General Meeting. At the same time the company has received the notice in writing from the member signifying his intention to propose Mr. Mr.Prabir K Sarkar as candidate for the office of director. The board of director has appointed him as director, who is liable to retire by rotation with effective from 10th May, 2011 subject to the approval of the members. Therefore the resolution items no:6 is being placed before the shareholders for their approval.

None of the directors are interested in the above resolution except Mr. Mr.Prabir K Sarkar.

ITEM NO: 8, 9 & 10

The company requires the infusion of more funds for further development and expansion. The Board of Directors thought it fit to invite funds for the company by way of Issue of equity shares subject to the compliance of the provisions of Companies Act and Articles of Association of the company.

At present the authorized share capital of the company is Rs.10, 00, 00,000/- divided into 1,00,00,000 Equity shares of Rs.10/- each. It is proposed to increase the authorized capital to Rs30, 00, 00, 000/- divided into 3,00, 00,000 Equity shares of Rs.10/- each.

The existing Article of the Articles of Association of the Company specifies the present Share Capital of your Company. As the proposal is to increase the Authorized Share Capital base, substitution of the existing Article is considered necessary in order to reflect the increase in Authorized Share Capital of your Company.

Increase of Authorized capital requires alteration in the Memorandum of Association, which requires the approval of the shareholders at the general meeting and hence the resolution is put forth for approval.

The Memorandum of Association along with the proposed alteration is available for inspection at the Registered Office of the Company during business hours (10.00 A.M. to 5.00 P.M.) from Monday to Friday till the date of AGM.

None of the directors are interested in the resolution except to the extent of the shares which may be offered to them by the company for subscription on rights basis.

For and on behalf of the Board

Place: Chennai
Date: 09-06-2011

C. Vasan
CHAIRMAN

EDUEXEL INFOTAINMENT LIMITED

Registered Office: # 71, Nehru Nagar Industrial Estate, 2nd Link Street, Kottivakkam, Chennai-41

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the Twentieth Annual Report and the Audited Accounts for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

The Financial results of your Company for the year under review are as below:

Particulars	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Total Income	4601.54	53.29
Profit/ (Loss) before Depreciation & Tax	100.20	1.92
Less: Depreciation	0.60	0.85
Profit/ (Loss) before Tax	99.60	1.07
Less: Provision for Taxation	30.78	6.00
Profit/ (Loss) after Tax	68.82	(4.93)

OPERATIONS AND PERFORMANCE

During the year under review the Company's operations were good with increase in turnover. The company's turnover made a quantum leap during the year 2010-11 due to marketing initiative undertaken by the company. The company's aggressive marketing and distribution of content ensured improved topline and bottomline performance.

During the year under review, the company made preferential allotment of 50,00,000 equity shares of Rs. 10/- each at a premium of Rs. 6/- after obtaining necessary approval from the statutory bodies including SEBI approval on open offer by the acquirer

Sl.	Allottees	No of equity shares allotted
1	Discovery Infoways Limited	25,00,000
2	Rajnikant Rameshbhai Patel	9,00,000
3	Vishnubhai Hargovandas Patel	8,00,000
4	Sanjaybhai Govindbhai Patel	8,00,000
	TOTAL	50,00,000

Also, M/S Discovery Infoways Limited made an open offer for acquisition of 16,92,200 equity shares @ Rs. 16.50 per share representing 20% of the post preferential equity of 84,61,000 equity shares. Response was received for 7,09,500 equity shares.

DIVIDEND

Your Directors express their regret for inability to declare or recommend any dividend since the profits will be ploughed back into Company for Business expansion.

DIRECTORS

During the year under review, Mr. Kannan Ramaswamy has resigned from the board and the Board wishes to place on record the contributions made by him to the Company.

Subsequently, in May 2011, Mr. Vasan has resigned as Managing Director though he would continue to serve in the Board as Director and Mr. D Nambiraja and Mr S Sivakumar have relinquished the office of Directorship. The Board wishes to place on record the excellent contributions made by them during their tenure with the company.

Also, the following persons were inducted into the Board in May 2011 with each one possessing vast experience in Media and related industry.

Mr. Soumo Ganguly
Mr. Mehool Parekh
Mr. Shreyas. S. Shah
Mr. Prabir Kumar Sarkar

Mr.Soumo Ganguly and Mr.Mehool Parekh would be heading as the new Managing Director and Whole-Time Director of the Company respectively and the Board seeks approval of the members at the Annual General Meeting for their appointment.

AUDITORS

The Board of Directors recommend the re appointment of M/s.Brahmananda and Co., who is retiring at the ensuing Annual General Meeting, to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. A written certificate has been received by the company from them that the appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956

PUBLIC DEPOSITS

The company has not accepted any deposits during the year under review.

LISTING

The shares of your company are listed on Madras Stock Exchange and Bombay Stock Exchange.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's Auditors confirming the compliance of the conditions on Corporate Governance as stipulated under Clause 498 of the Listing Agreement of the Stock Exchange is annexed thereto.

MEMORANDUM OF UNDERSTANDING:

The company proposes to enter into a Memorandum of Understanding with Endomel group, part of Endomel International BV owned significantly by Goldman Sachs and also with M/s. Maya Digital Group and Infinity India Advisors Private Limited for the purpose of business expansion.

MERGER:

The company has approved the proposal of Merger of Moxie Entertainments Private Limited with the company and authorized Mr.Soumo Ganguly, Director to do all acts, deeds and things including appointment of Chartered Accountant for arriving at the exchange ratio, advocates, legal advisors etc., Being court procedure, the process shall be in accordance with court rules with Exchange rules/ regulation and Companies Act, the shareholders will be well informed on the process from time to time.

PREFERENTIAL ISSUES:

The Company proposes to raise funds through issue of all kinds of securities on preferential/ right basis on such other tranches for the purpose of business expansion

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief confirm that:

In the preparation of the Profit & Loss Account for the financial year ended 31st March, 2011 and the Balance Sheet as at that date all applicable accounting standards have been followed.

Appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state affairs of the Company as at the end of the financial year and of the Profit and Loss of the Company for that period.

Proper and sufficient care has been taken 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.

The financial statements have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

There were no employees in receipt of remuneration in excess of the limits as stipulated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year.

PARTICULARS AS REQUIRED UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Conservation of Energy

The Company had taken steps to conserve energy in its office use, consequent to which energy consumption has been minimized. No additional Proposals/Investments were made to conserve energy. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

Technology Absorption:-

The company has not adopted / intends to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

Foreign Exchange Inflow & Outgo:-

Foreign Exchange inflow during the year: - Nil

Foreign Exchange outgo during the year: - Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forming part of the Annual Report is attached.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also appreciate and place on record the efficient service rendered by the employees of the Company.

On behalf of the Board

Place: Chennai

C. Vasan
Chairman

Date: 09-06-2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY AND STRUCTURE

During the year under review the Company's operations were good with increase in turnover. The Company has made a good increase in turnover due to betterment of marketing of entertainment content.

OPPORTUNITIES AND THREATS

Your Company has got potential to grow in the business of media and it is taking all possible steps to grab the opportunities coming in its way.

OUTLOOK, OPPORTUNITIES, THREATS, RISK AND CONCERN

The media sector is becoming attractive because of growing opportunities in the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management has overall responsibility for the Company's internal control system to safeguard the assets, usage of resources, compliance with applicable laws & regulations and to ensure reliability of financial records. The internal auditors and the statutory auditors and the audit committee review all financial statements and ensure adequacy of internal control systems.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company will now start looking for new projects and business in the media sector.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

During the year under review, Mr. Kannan Ramaswamy has resigned from the board and the Board wishes to place on record the contributions made by him to the Company.

Subsequently, in May 2011, Mr. Vasan has resigned as Managing Director though he would continue to serve in the Board as Director and Mr. D Nambiraja and Mr S Sivakumar have relinquished the office of Directorship. The Board wishes to place on record the excellent contributions made by them during their tenure with the company.

Also, the following persons were inducted into the Board in May 2011 with each one possessing vast experience in Media and related industry.

- Mr. Soumo Ganguly
- Mr. Mehool Parekh
- Mr. Shreyas. S. Shah
- Mr. Prabir Kumar Sarkar

Mr. Soumo Ganguly and Mr. Mehool Parekh would be heading as the new Managing Director and Whole-Time Director of the Company respectively and the Board seeks approval of the members at the Annual General Meeting for his appointment

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of the applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**On behalf of the Board
For EDUEXEL INFOTAINMENT LIMITED**

Place: Chennai
Date : 09-06-2011

**C VASAN
CHAIRMAN**

CEO / CFO Certification

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2011, we C. Vasan Chairman and Soumo Ganguly Executive Director certify that

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

SOU MO GANGULY
Managing / Executive Director

C VASAN
Chairman

DECLARATION OF CODE OF CONDUCT

Dear Sirs,

This is to confirm that the Board has laid down a code of conduct for all Board of Directors and senior management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2011 as envisaged in Clause 49 of the Listing Agreement with stock exchange.

Chennai
Date: 09-06-2011

C Vasan
Chairman

P. VISWANATHAN, B.Com., FCA
CHARTERED ACCOUNTANT
M.NO. 010187

BRAHMANANDA & CO
No. 1, Janani Flats, 122C, T T K Road
Alwarpet, Chennai – 600 018
Phone: 24980265, 65281297

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
EDUEXEL INFOTAINMENT LIMITED

We have examined all relevant records of M/s. EDUEXEL INFOTAINMENT LIMITED, having its Registered Office at # 71, Nehru Nagar Industrial Estate, 2nd Link Street, Kottivakkam, Chennai - 600041, for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and Madras Stock Exchange Limited for the financial year ended 31st March 2011. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of the Clause 49 of the Listing Agreement.

For Brahmananda & Co.,
Chartered Accountants

Place: Chennai
Date: 09-06-2011

P Viswanathan
M. No.10187

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Corporate Governance specifies the principle and manner in which affairs of the Company is directed. It also specifies the manner in which the company operates under the prevailing law, customary practice, rules and regulations framed by the government and the company itself. It ensures that the corporate affairs are carried out in the best interest of the company and its stakeholders.

Company's Philosophy on Code of Corporate Governance

Your Company has implemented and continuously strives to improve the Corporate Governance practices which attempt to enhance shareholder's value, maintain transparency, gain credibility and trust, comply with statutory regulations and maintains steady growth.

I. Board of Directors

(A) Composition and Category of Directors

As on 31st March, 2011 the Board of Directors of the Company consists of three Non-Executive Directors among which two are Independent Directors. The Non-Executive Directors are professionals, drawn from amongst persons with experience in business, industry etc. The composition, category of the Board of Directors and outside Directorships for the year under review is furnished hereunder:

Name of Directors	Category	No. of other Directorships*	No. of Membership on other Board Committees**
Shri C. Vasan	Chairman /Non-Executive Director	NIL	NIL
Shri S. Sivakumar	Non-Executive Independent Director	NIL	NIL
Shri D. Nambiraja	Non-Executive Independent Director	NIL	NIL

*Excludes Private Companies, Foreign Companies and Section 25 Companies.

**Denotes memberships in Audit Committee and Shareholders/ Investors Grievance Committee

None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he is a Director.

The Independent Directors have confirmed that they satisfy the criteria of independence' as stipulated in the amended Clause 49 of the Listing Agreement.

(B) Details of Directors seeking re-appointment

The following person has intention to be re-appointed at the ensuing Annual General Meeting:

1. Mr. C.Vasan

(C) Board Meetings held during the period 2010-11

The Board of Directors met 6 times during the financial year ended 31st March, 2011 on 14th May, 2010, 28th July, 2010, 9th September, 2010, 10th November, 2010, 15th February, 2011 and 10th March, 2011. The attendance of Directors at the Board Meetings and last AGM is as follows:

NAME OF DIRECTORS	NO.OF BOARD MEETINGS ATTENDED	ATTENDENCE IN LAST AGM HELD ON 30.09.2010
Shri C. Vasan	6	Yes
Shri S. Sivakumar	6	Yes
Shri D. Nambiraja	6	Yes
Shri Kannan Ramasamy	4	Yes

II. Remuneration to Directors

(A) Remuneration to Non – Executive Directors

The Non Executive Directors of the Company do not receive any remuneration from the Company.

(B) Remuneration to Executive Directors

The Executive Directors of the Company do not receive any remuneration from the company.

III. Board Committees

(A) Audit Committee

The terms of reference of the Committee is in accordance with that specified in Clause 49 of the listing agreement with Stock Exchanges and also confirms to the requirements of Section 292A of the Companies Act, 1956 and the scope of the Audit Committee include matters which are set out in the Listing Agreement with the Stock Exchanges as amended from time to time read with Section 292A of the Companies Act, 1956. During the year under review the Committee met six times on 14th May, 2010, 28th July, 2010, 9th September, 2010, 10th November, 2010, 15th February, 2011 and 10th March, 2011. The gap between two meetings did not exceed four months.

Composition & Meetings

The Committee at present comprises of three Non– Executive Directors out of which two are Independent Directors including the Chairman of the Committee. All the members have good financial knowledge.

Audit Committee Meetings are attended by the Head of Finance and senior management members. The Statutory Auditors are invited to attend the meetings.

The Composition of the Audit Committee and the attendance of each member at these meetings are given below:-

Sl No	Name	Chairman/ Member	Number of Meetings attended
1.	Shri S Sivakumar	Chairman	6
2.	Shri D Nambirajan	Member	6
3.	Shri Kannan Ramasamy	Member	4

(B) Shareholders'/Investors' Grievance Committee

Terms of Reference

The Shareholders/Investors Grievance Committee oversees the Company's relationship with shareholders and ensures that the shareholders grievances are redressed in time.

Composition & Meetings

The Committee consists of three Non Executive Directors. Shri D. Nambiraja is the Chairman of the Committee.

Shri C. Vasan is the Compliance Officer of the Company.

During the year under review the Committee met six times on 14th May, 2010, 28th July, 2010, 9th September, 2010, 10th November, 2010, 15th February, 2011 and 10th March, 2011 to review the shareholders' correspondence received by the company.

The details of the members of the Committee and their attendance at the meetings are given below:-

Sl No	Name	Chairman/ Member	Number of Meetings attended
1.	Shri D. Nambiraja	Chairman	6
2.	Shri S. Sivakumar	Member	6
3.	Shri Kannan Ramasamy	Member	4

The Company has not received any complaints from the shareholders during the year under review.

IV. General Body Meetings

The location and time where the last three Annual General Meetings were held are given below:-

<u>Year</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
2007-08	30.09.2008	10.00 a.m.	No. 2B, Royal Palm, 17, Halls Road, Kilpauk, Chennai-600 010
2008-09	29.09.2009	10.00 a.m.	No. 2B, Royal Palm, 17, Halls Road, Kilpauk, Chennai-600 010
2009-10	30.09.2010	09.30 a.m.	Asha Niwas, No.9, Rutland Gate, 5 th Street, Chennai – 600 006

No Special resolutions were passed at previous three Annual General Meetings of the Company

No resolutions were passed through postal ballot during the year.

As of now there is no proposal for passing any resolutions through postal ballot.

The Company has conducted following Extraordinary General meetings during the year:

Date	Time	Venue
07.06.2010	10.00 A.M	18/53, Josier Street, Nungambakkam, Chennai 600 034
27.08.2010	10.00 A.M	18/53, Josier Street, Nungambakkam, Chennai 600 034

A Special Resolution was passed at Extraordinary General Meeting on 07.06.2010 to change the Name from TGF Media Systems Limited to New Name “EDUEXEL INFOTAINMENT LIMITED”

A Special Resolution was passed at Extraordinary General Meeting on 27.08.2010 to consider and propose the Preferential allotment of 50,00,000 shares and to increase the authorized capital of the company from Rs. 3.50 crores (35 lakhs equity shares) to Rs.10 crores (1 crore equity shares of Rs. 10/- each). The said 50,00,000 Equity shares are allotted at Rs. 16/- each (at Face Value Rs. 10/- each + Premium of Rs 6/- each)

V. Disclosures

There were no materially significant related party transactions with the promoters, directors or the management, subsidiaries or relatives that have potential conflict with the interests of Company at large.

The Company has followed the Guidelines of Accounting Standards institute laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

During the year under review, the Company has raised funds from preferential allotment from the following members:

Name	No of Shares
Discovery Infoways Limited	25,00,000
Rajnikant Rameshbhai Patel	9,00,000
Vishnubhai Hargovandas Patel	8,00,000
Sanjaybhai Govindbhai Patel	8,00,000
Total	50,00,000

The Company's shares are listed at Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

VI. Compliance

The Board reviews periodically compliance reports of all laws applicable to the Company prepared by the Company as well as the steps taken by the Company to rectify instance of non compliance, if any.

Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended 30th June, 2010, 30th September, 2010, 31st December, 2010 and 31st March, 2011.

M/s. Brahmananda & Co. has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the exchanges.

The said certificate is annexed to the Directors' Report and will be forwarded to the stock exchanges and the Registrar of Companies, Chennai along with the Annual Report.

The Company has not adopted the non-mandatory requirements as stipulated in the Clause 49 of the Listing Report.

VII. Means of Communication

The Quarterly unaudited financial results and the annual audited results are normally published in leading business daily newspapers.

VIII. Management Discussion and Analysis.

The Management Discussion and Analysis Report form part of the Annual Report.

IX. General Shareholder Information

A separate section has been included in the Annual Report furnishing the various details, viz., AGM Date, time and venue, share price movement, distribution of shareholding, etc.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date	: Tuesday, 12 th July, 2011
Time	: 10.30 a.m.
Place	: Asha Niwas, No.9, Rutland Gate, 5 th Street, Chennai – 600 006
Financial Calendar	: 1 st April 2010 to 31 st March 2011
Date of Book Closure	: 9 th July, 2011 to 12 th July, 2011
Listing on Stock Exchanges	: Madras Stock Exchange Limited Bombay Stock Exchange Limited

<u>Name of the Stock Exchange/ Depository</u>	<u>Code /ISIN</u>
Madras Stock Exchange Limited
Bombay Stock Exchange Limited	526483

Market Price Data

The details of Monthly highest and lowest prices of Equity shares of the Company at Bombay Stock Exchange during the Financial Year 2010-11 are as under:

Month	Quotations at Bombay Stock Exchange	
	High Price (in `)	Low Price (in `)
April 2010	NA*	NA*
May 2010	50.00	9.01
June 2010	12.90	7.71
July 2010	17.91	12.74
August 2010	14.29	11.79
September 2010	15.65	12.23
October 2010	15.60	11.80
November 2010	16.13	12.85
December 2010	15.00	13.16
January 2011	16.01	13.60
February 2011	16.45	13.50
March 2011	17.61	12.55

* The suspension of trading in Bombay Stock Exchange has been revoked on March 19 , 2010 and trading in Stock Exchange has commenced only on 20th May, 2010.

No trading took place at Madras Stock Exchange and hence market price data could not be commented upon.

Registrar and Share Transfer/Demat Agents

The company has M/s. Bts consultancy Services Pvt Ltd, No.4, Near Kumaran Matricuation School, Ramakrishna Nagar, Villivakkam, Chennai-600049 as Registrar and Share Transfer agent. All the works pertaining to physical shares are being done by the company at its agent address.

Share Transfer System

Share transfers are approved by the Shareholders / Investor Grievance Committee. The share transfers are normally affected within a period of one month.

Categories of Shareholding as on 31st March, 2011

Category	Number of shares	Percentage
Indian Promoters	451500	5.34
Persons acting in Concert		
Mutual Funds	-----	-----
Private Corporate Bodies	-----	-----
NRI/OCBs	-----	-----
Public	8009500	94.66
TOTAL	8461000	100.00

Address for Correspondence

For shares held in Demat form, investors shall address their correspondence to their respective Depository Participants.

For shares held in physical form, investors shall contact the Company at its registered office address for transfers / demat / remat etc.

All other queries and clarifications may be addressed to the Registered Office of the Company at:

Eduxel Infotainment Limited
71, Nehru Nagar Industrial Estate,
2nd Link Street, Kottivakkam,
Chennai-41
Phone: 044-42047060

On behalf of the Board

Place: Chennai
Date: 09-06-2011

**C. Vasan
Chairman**

Auditor's Report to the Members of Eduexel Infotainment Limited

We have audited the attached balance sheet of EDUEXEL INFOTAINMENT LIMITED as at March 31, 2011 and also the profit and loss account and cash flow statement for the year ended on the 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 auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that;

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement (read in conjunction with the Notes and Schedule attached thereto) dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
- (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2011;
 - b) in the case of the profit and loss account, of the profit the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Brahmananda & co

09-06-2011
Chennai

P. Viswanathan-Partner
(M. No. 10187)

**P. VISWANATHAN, B.Com., FCA
CHARTERED ACCOUNTANT
M.NO. 010187**

**BRAHMANANDA & CO
No. 1, Janani Flats, 122C, T T K Road
Alwarpet, Chennai – 600 018
Ph Off : 65281297, 24980265
Email : viswafca@gmail.com**

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the Auditors' Report to the members of **EDUEXEL INFOTAINMENT LIMITED** on the accounts for the year ended **31st March, 2011**.

1. (a) The Fixed Assets register maintained by the company has to be updated to show full particulars including quantitative details and situation of fixed assets.
(b) We were informed that the Fixed Assets have been physically verified by the management at reasonable intervals and discrepancies noticed on such verification have been given effect in accounts.
(c) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4(i)(c) of the companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
2. (a) On the basis of examination of inventory records, the Company is maintaining proper records of inventory and the said inventory has been physically verified during the year by the management at reasonable intervals.
(b) In our opinion, the procedures of physical verification of the inventory followed by the management needs to be strengthened since the same is inadequate in relation to the size of the company and the nature of its business.
(c) The discrepancies noticed on physical verification of such inventory were not material as compared to book records.
3. The company has not taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. And the Company has not granted unsecured loans to firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 being a company under the same management as per section 370 (1B) of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us the internal control procedures are commensurate with the size of the company nature of its business for purchase of raw material including components, plant and machinery, equipment and other assets and for the sale of goods and services.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, transactions are made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 that exceed the value of rupees five lakhs in respect of any party during the year.
6. In our opinion and according to the information and explanations given to us, as the company has not accepted deposits from the public paragraph 4 (vi) of the Order is not applicable.
7. Although the company has no formal internal audit system as such, its internal control procedures ensure reasonable internal checking for financial and records.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

P. VISWANATHAN, B.Com., FCA
CHARTERED ACCOUNTANT
M.NO. 010187

BRAHMANANDA & CO
No. 1, Janani Flats, 122C, T T K Road
Alwarpet, Chennai – 600 018
Ph Off : 65281297, 24980265
Email : viswafca@gmail.com

9. According to the records, information and explanations given to us, the Company has no dues undisputed amount provident fund, employees' state insurance authorities and Income tax for a period of more than six months from the date they become payable.
10. The Company has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. During the year the company has not defaulted in repayment of dues to any financial institution or bank.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable.
13. The provisions of any special statute applicable to chit fund and nidhi/mutual benefit fund/society are not applicable to the company and therefore paragraph 4(xiii) of the Order is not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4(iv) of the Order is not applicable.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4(xv) of the Order is not applicable.
16. The Company has not availed term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, short term funds of has been used for fixed assets (long term investments) no long term funds were raised for short term investments.
18. The Company has made preferential allotment of shares during the year and the allotment is not made to those covered under persons listed in register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore paragraph 4 (xix) of the Order is not applicable.
20. The Company has not raised money by way of public issues during the year and therefore paragraph 4(xx) of the Order is not applicable.
21. Based upon the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been reported or noticed during the year.

For Brahmananda & co

09-06-2011
Chennai

P. Viswanathan-Partner
(M. No. 10187)

EDUEXEL INFOTAINMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	Sch.	AS AT 31 st March 2011	AS AT 31 st March 2010
SOURCES OF FUNDS			
<u>(1) Shareholders' Funds</u>			
(a) Share Capital	I	8,46,10,000	3,46,10,000
(b) Reserves and Surplus		<u>3,46,50,685</u>	<u>3,46,10,000</u>
		11,92,60,685	3,46,10,000
<u>(2) Loan Funds</u>			
(a) Secured Loans		NIL	NIL
(b) Unsecured Loans	II	<u>4,00,000</u>	<u>NIL</u>
		4,00,000	0
TOTAL		<u><u>11,96,60,685</u></u>	<u><u>3,46,10,000</u></u>
B. APPLICATION OF FUNDS			
<u>(1) Fixed Assets</u>			
	III		
Gross Block		32,55,986	32,55,986
Depreciation		30,76,860	30,16,861
Net Block		<u>1,79,126</u>	<u>2,39,125</u>
(2) Current Assets, Loans and Advances	IV	29,49,51,309	3,47,06,193
Less: Current liabilities and provisions	V	<u>17,54,69,750</u>	<u>25,66,836</u>
		11,94,81,559	3,21,39,357
(4) Profit and Loss Account			22,31,518
TOTAL		<u><u>11,96,60,685</u></u>	<u><u>3,46,10,000</u></u>

On behalf of the Board

Brahmananda & Co
Chartered Accountants

P. Viswanathan - Partner
(Mem: 10187)
Date: 09-06-2011
Chennai

C Vasam
Chairman

Soumo Ganguly
Managing Director

Mehool Parekh
Director

EDUEXEL INFOTAINMENT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Sch. Year ended 31st March 2011 Year ended 31st March 2010

REVENUE

Sale of Film content	31,90,47,800	15,94,990
Sale of Educational tools	14,11,06,000	37,34,300
	46,01,53,800	53,29,290

EXPENSES

Cost of Traded Content	VI	44,31,20,797	
Administrative and other expenses	VII	70,13,230	36,11,460
Depreciation		60,000	85,000
		45,01,94,027	36,96,460
		45,01,94,027	36,96,460
		45,01,94,027	36,96,460
Profit/(Loss) for the year		99,59,773	16,32,830
Extra ordinary items			-1,525,452
Tax Provision		30,77,570	6,00,000
Profit/Loss after Tax		68,82,203	-492,622
Brought forward loss/profit		-2,231,518	-1,738,896
Balance carried to Balance Sheet		46,50,685	-2,231,518

On behalf of the Board

Brahmananda & Co
Chartered Accountants

P. Viswanathan - Partner
(Mem: 10187)
Date: 09-06-2011
Chennai

C Vasan
Chairman

Soumo Ganguly
Managing Director

Mehool Parekh
Director

EDUEXEL INFOTAINMENT LIMITED

Schedules to Accounts

	AS AT 31st March 2011	AS AT 31st March 2010
Schedule I		
Share Capital		
<i>100,00,000 equity shares of Rs.10/- each</i>	<u>10,00,00,000</u>	<u>3,50,00,000</u>
Issued and Paid-up		
<i>84,61,000 Shares Rs. 10/- each</i>	8,46,10,000	3,46,10,000
<i>(84,61,000 Shares Rs. 10/- each)</i>	<u>8,46,10,000</u>	<u>3,46,10,000</u>
<i>(Previous year 34,61,000 Shares Rs. 10/- each)</i>	<u>8,46,10,000</u>	<u>3,46,10,000</u>
Reserves and Surplus		
Share Premium	3,00,00,000	
Profit & Loss A/c	46,50,685	
	<u>3,46,50,685</u>	<u>0</u>
Schedule II		
Unsecured Loans		
From others	<u>4,00,000</u>	
Total	<u>4,00,000</u>	<u>0</u>

EDUEXEL INFOTAINMENT LIMITED

**Schedule III
Fixed Assets**

Description		Opening balance	Gross Block		Depreciation			Net Block	
			Addi ons/ Deleti ons	Total	Upto 31.03.10	For the year	Upto 31.03.11	31.03.11	31.03.10
Plant and Machinery	13.91%	14,24,967	0	14,24,967	12,69,532	22,000	12,91,532	1,33,435	155,435
Vehicles	25.89%	5,84,111	0	5,84,111	5,77,071	6,000	5,83,071	1,040	7,040
Computers Office	40.00%	6,95,840	0	6,95,840	6,93,733	2,000	6,95,733	107	2,107
Equipments	18.10%	3,15,077	0	3,15,077	2,75,111	15,000	2,90,111	24,966	39,966
Furniture	18.10%	2,35,991	0	2,35,991	2,01,413	15,000	2,16,413	19,578	34,578
TOTAL		32,55,986	0	32,55,986	30,16,860	60,000	30,76,860	1,79,126	2,39,126

Schedule IV

Current Assets, Loans and Advances

	AS AT 31 st March 2011	AS AT 31 st March 2010
Inventories		
Picture-in-progress	-	6,25,000
Perpetual Negative rights and dubbing rights	-	27,50,400
		0
		33,75,400
Sundry Debtors		
More than six months		67,83,510
Other Debts (Unsecured, Considered Good)	27,01,53,874	2,25,100
Cash and Bank Balance		
Cash on hand	28,541	19,702
Bank Balance	20,826	875
		49,367
		20,577
Advances		
Advance for distribution/ Feature films rights	1,57,22,500	36,76,000

EDUEXEL INFOTAINMENT LIMITED

	AS AT 31st March 2011	AS AT 31st March 2010
Income Tax paid for Assessment Year 2009-10	2,01,388	
Tax deducted at source on income	1,10,890	1,10,890
Advance for Machinery		22,94,000
<i>{Advances recoverable in cash or in kind or for value to be received}</i>	<u>87,13,290</u>	<u>1,82,20,716</u>
	2,47,48,068	2,43,01,606
TOTAL	<u>29,49,51,309</u>	<u>3,47,06,193</u>

Schedule V**Current Liabilities and
Provisions**

Current Liabilities	17,19,71,848	20,19,885
Provision for Tax	34,97,902	5,46,951
	<u>17,54,69,750</u>	<u>25,66,836</u>

EDUEXEL INFOTAINMENT LIMITED
SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2011

Year ended 31st March 2011 Year ended 31st March 2010

Schedule VI

Cost of Traded Content

***Expenses incurred during
the year***

Cost of film content	31,20,47,797	
Cost of Educational Content	13,10,73,000	
TOTAL	44,31,20,797	0

Schedule VII

**Administrative and other
Expenses**

Inventory written off	33,75,400	
Salary	9,41,963	12,60,921
Staff Welfare	38,412	27,773
Rent, Rates & Fees	10,25,474	8,56,770
Postage and Telephones	28,653	37,180
Travelling and Conveyance	5,82,146	3,18,750
Printing and Stationery	22,874	14,892
Electricity	74,827	23,976
Office Maintenance	52,603	39,147
Directors' sitting fee		
Directors' Remuneration		
Auditor's Remuneration		
For audit	27,575	10,000
For Tax matters		
For others		
Sundries	8,43,303	10,22,051
TOTAL	70,13,230	36,11,460

EDUEXEL INFOTAINMENT LIMITED

Cash Flow Statement for the period ended 31st March 2011

	Year ended 31st March 2011	Year ended 31st March 2010
<u>Cash Flow from operating</u>		
A activities		
Profit before taxation & exceptional items	99,59,773	16,32,830
<u>Adjustments</u>		
Depreciation	60,000	85,000
	<u>60,000</u>	<u>85,000</u>
Operating profit before working capital changes	1,00,19,773	17,17,830
Adjustments for		
Inventories	33,75,400	625,000
Loans & Advances	-446,462	-258,079
Increase in debtors	-263145,264	-520,055
Current liabilities	<u>16,98,25,343</u>	-34,299
	-90390,983	<u>-187,433</u>
Net cash from operating activities	A -80371,210	15,30,397
<u>Cash flow from investing</u>		
B activities		
Purchase of fixed assets	,	,
Net cash used in investing activities	B ,	,
<u>Cash flow from financing</u>		
C activities		
Misc. expenses (Company inc expenses)	,	,
Increase in loans	400,000	,
Increase in capital (incl. share premium)	8,00,00,000	,
Exceptional item w/off	<u>,</u>	<u>-1525,452</u>
Net cash used in financing activities	C 8,04,00,000	-1525,452
Net increase/decrease in cash & cash equivalents (A+B+C)	28,790	4,945
Cash & cash equivalents at the beginning of the financial period	20,577	15,632
Cash & cash equivalents as at 31st March 2011	49,367	20,577

Per our Report of even date
Brahmananda & Co
Chartered Accountants

On behalf of the Board

P. Viswanathan – Partner
(Mem: 10187)
Date: 09-06-2011
Chennai

C Vasan
Chairman

Soumo Ganguly
Managing Director

Mehool Parekh
Director

EDUEXEL INFOTAINMENT LIMITED

Notes on Accounts for the year ended 31st March 2011

I General

The financial statements are prepared under the historical cost convention and are in accordance with applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

Accounting policies / compliance of Accounting Standards issued by the Institute of Chartered Accountants of India :

(1) AS 1: Disclosure on accounting policies

The accounts are maintained on accrual basis as a going concern.

(2) AS 2: Valuation of inventories

Inventories are valued at lower of cost or net realizable value. Inventories of picture-in-progress, serials purchased for re-sale, film distribution rights secured, film negative and telecast rights held are valued at landed cost.

(3) AS 3: Cash flow statements

Cash Flow statement prepared under indirect method is attached to the Balance Sheet and Profit and Loss account.

(4) AS 4: Contingencies and event occurring after the balance sheet date

There have been no events after the balance sheet that has a bearing on the financial statements.

(5) AS 5: Net profit or loss for the period, prior period items and changes in accounting policies

(i) Net profit for the period:

All items of income and expense in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

(ii) Prior period items: Nil

(iii) Accounting policies:

There has been no change in the Company's accounting policy with respect to treatments of expenses or income. The accounts are maintained in accrual basis as mentioned elsewhere in the report.

(6) AS 6: Depreciation Accounting

Depreciation is provided under as per Companies Act, 1956 and at the rates specified therein.

(7) AS 7: Accounting for Construction Contracts

The company does not engage in any construction work/contract and hence AS 7 is not applicable.

- (8) AS 8: Accounting for Research and Development
This standard was withdrawn with effect from 1-4-2003 consequent to Accounting Standard AS 26 on Accounting for Intangible Assets.
- (9) AS 9: Revenue recognition
Revenue from programme software/feature films produced are recognised on the time-and-material basis and billed to clients as per the terms of specific contracts for telecast etc.
Income arising from distribution/re-distribution of feature films, sale of negative rights, telecast rights is recognized as income in the year of sale.
- (10) AS 10: Accounting for fixed assets
Tangible fixed assets are stated at cost and include any other attributable cost for bringing the assets to working condition for their intended use.
Machinery specific spares other than those required for regular maintenance are capitalized as a part of tangible fixed assets.
- (11) AS 11: Accounting for effects in foreign exchange rates
There has been no transaction on account of receipts/payments and hence compliance with the requirements of AS-11 does not arise.
- (12) AS 12: Accounting for Government grants
The Company has not received any grant from the Government.
- (13) AS 13: Accounting of Investments
The company holds no investments and hence reporting on the compliance aspect does not arise.
- (14) AS 14: Accounting for amalgamations
The above standard is not applicable as there was no amalgamation during the year.
- (15) AS 15: Accounting for Employee Benefits
The company is yet to formulate a gratuity plan and also register with Provident Fund and Employees State Insurance Corporation and the same shall be done as when these become applicable to the company.
- (16) AS 16: Borrowing cost
There has been no borrowing and hence no cost associated with borrowal of funds has been incurred. Consequently, compliance with the requirements of AS-16 does not arise.
- (17) AS 17: Segment reporting
The Company operates in the same segments which are subject to similar risks and returns.
- (18) AS 18: Related party disclosure Related Parties:
Apart from Mr. C. Vasan, Director there are no related parties associated with the company. Mr. C. Vasan draws no remuneration from the company.
- (19) AS 19: Leases
No lease agreements have been entered into and hence reporting on the compliance aspect does not arise.

(20) AS 20: Earnings per share

Basic earnings per share are disclosed in the Profit and Loss account.

There is no diluted earnings per share as there are no dilutive potential equity shares.

Basic/Diluted EPS before considering Extra-ordinary items	-	Rs. 1.27
Basic/Diluted EPS after considering Extra-ordinary items	-	Rs. 1.27
Weighted average number of shares*	-	54,06,205
Face Value per share (fully paid up)	-	Rs. 10/-

(21) AS 21: Consolidated financial statements

The company has no subsidiaries and hence no consolidated financial statement has been prepared.

(22) AS 22: Accounting for taxes on income

The company has provided necessary Income Tax including fringe benefit tax, as applicable in accordance with the provisions of the Income Tax, 1961.

(23) AS 23: Accounting for Investments in associates

Since there has been no investment of any sort in any company/venture reporting on compliance with the Accounting Standard 23 does not arise.

(24) AS 24: Discontinuing Operations

The Company has not discontinued any operations during the year.

(25) AS 25: Interim Financial Reporting

The enterprise accounts are subject to interim financial reporting as mandated by SEBI by its statutory auditor.

(26) AS 26: Intangible Assets

The Company has not acquired any intangible asset during the year.

(27) AS 27: Financial Reporting of Interests in Joint Ventures

Since there has been no investment of any sort in any company/venture reporting on compliance with the Accounting Standard 27 does not arise.

(28) AS 28: Impairment of Assets

At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount less its residual value, if any over its remaining useful life.

(29) AS 29: Provisions, Contingent Liabilities and Contingent Assets

Provisions-there are no warranty obligations or any other matter requiring provision in accounts

Contingent Liabilities-Amount for which company is contingently liable- Nil

Contingent Assets- Nil

II Sundry Creditors - Others includes:

- a) Total outstanding Dues of Micro, Small & Medium Enterprises (SME)** - Nil
- b) Total outstanding Dues of creditors other than SME - Rs. 17,19,71,848/-

**Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in The Micro, Small & Medium Enterprises Development Act, 2006). The Company is generally regular in making payments of dues to such enterprises. Hence, the question of payments of interest or provision therefore towards belated payments does not arise.

III Payments made to/on behalf of Managing Director: Nil

IV. Additional information under Part II of Schedule VI of the Companies Act, 1956

The company's activity comprises of content development for telecast on Television, production of feature films, distribution of telecast rights for films and serials, etc. Hence reporting on installed capacity, production, turnover and related quantitative particulars, data on consumption of raw materials does not arise.

V. Foreign Exchange Earnings – Nil

VI . Foreign Exchange outgo - Nil

For Brahmananda & Co
Chartered Accountants

For and On behalf of the Board

P. Viswanathan
M. No. 10187
09-06-2011
Chennai

Soumo Ganguly C Vasan
Managing Director Director

EDUEXEL INFOTAINMENT LIMITED

Registered Office: # 71, Nehru Nagar Industrial Estate, 2nd Link Street, Kottivakkam, Chennai-41

PROXY FORM

I / We of being a Member(s) of Eduxel Infotainment Limited, hereby appoint of or failing him / her as my / our Proxy to vote for me / us on my / our behalf, at the Twentieth Annual General Meeting of the Company to be held on the 12th day of July, 2011 at 10.30 a.m. at Asha Niwas, No.9, Rutland Gate, 5th Street, Chennai – 600 006 and at any adjournment thereof.

Signed this day of 2011.

Address:

Signature
Membership Folio No.
DP ID/CL.ID
No. of shares held:

1.Re
Revenue Stamp

- Note: 1. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
2. Proxy need not be a member.

EDUEXEL INFOTAINMENT LIMITED

Registered Office: # 71, Nehru Nagar Industrial Estate, 2nd Link Street, Kottivakkam, Chennai-41

ATTENDANCE SLIP

I hereby record my Presence at the Twentieth Annual General Meeting of the Company being held on the 12th day of July, 2011 at 10.30 a.m. at Asha Niwas, No.9, Rutland Gate, 5th Street, Chennai – 600 006.

Full Name of the Member attending / Proxy
Folio No.
DP ID / CL ID

Signature

NOTE:

Members attending the meeting in person are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. No attendance slip will be issued at the time of Meeting

