



SHLOKA INFOTECH LIMITED

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SHLOKA INFOTECH LIMITED

[Signature]
Assistant Company Secretary

2002 - 2003

11th Annual Report

SHLOKA INFOTECH LIMITED

BOARD OF DIRECTORS

1. Shri. Arun Jain.
2. Shri. K. P. Chokhani
3. Shri. B. L. Varma
4. Shri. S. L. Khunteta

CHIEF EXECUTIVE OFFICER

Shri. Manish Malani

ASST. COMPANY SECRETARY

Shri. Brijesh M. Shah

AUDITORS

M/s J. M. Bhalgat & Co.,
Chartered Accountants.
Mumbai.

BANKERS

UCO Bank
Bank of Baroda

Regd. Office: -

159, Industry Hosue,
Churchgate Reclamation,
Mumbai - 400 020
Tel: - 22026340 / 2202 3793
Fax: - 22828865

Computer Division: -

68, Walkeshwar Road,
Mumbai - 400 006
Tel: - 23676449 / 24643860

Share Registrar and Transfer Agents: -
M/s Big Share Services Private Limited
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka, Andheri (East),
Mumbai - 400072
Tel: - 28523474 / 28560852 / 26901336
Fax:- 28525207

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SHLOKA INFOTECH LIMITED

NOTICE

Notice is hereby given that 11th Annual General Meeting of the Members of SHLOKA INFOTECH LIMITED will be held on Tuesday, the 30th September 2003 at 3.00 p.m. at the Birla Mansion, Dr. D. D. Sathe Road, Parthana Samaj, Mumbai - 400 004 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2003 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Arun Jain, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board
For SHLOKA INFOTECH LIMITED

Place : Mumbai

Dated : 2nd September, 2003

Asst. Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE MEETING
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 23rd September 2003 to Monday, the 29th September 2003 (both days inclusive).
3. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Company's Shares Transfer Agents M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072, and in case their shares are held in demat, this information should be passed on directly to their respective Participants and not to the Company.
4. Members who hold shares in the electronic form are requested to bring their depository account number for easy identification of attendance at the meeting.
5. Members are requested to write to the Company atleast seven days in advance before the date of meeting, in case they need any information as regards to the Audited Accounts for the financial Year ended 31st March 2003 to enable us to keep the information ready.

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6. As required in terms of paragraph VI (A) of clause 49 of the Listing Agreement, the details of Director retiring by rotation and eligible for reappointment are furnished below :-

Name of the Director	Arun Jain
Date of Birth	13.9.1953
Qualification	Chartered Accountant
Date of Appointment	28.7.1999
Expertise	Having rich and varied Business Experience
List of other Directorship Held	1. Birla International Private Limited 2. Nirved Traders Private Limited 3. Indoasean Oceanic Exports Limited 4. Shearson Investment and Trading Company Private Limited 5. Tungabhadra Holding Private Limited.
Chairman / Member of the Committee of the Board of the other Companies in which he is a Director	NIL

SHLOKA INFOTECH LIMITED**DIRECTORS' REPORT**

TO
The Members,

Your Directors are pleased to present the audited Statement of accounts for the financial year ended 31st March, 2003.

Financial Results

(Rs. in lacs)

Particulars	As on 31.3.2003	As on 31.3.2002
Total Income	81.30	52.93
Less :- Total Expenditure	110.97	63.22
Interest	2.30	--
Profit /(Loss) before Tax and Depreciation	(31.97)	(10.29)
Less :- Depreciation	8.69	8.01
Profit / (Loss) before Tax	(40.66)	(18.30)
Less :- Provision for Taxation		
- Current Year Tax	--	--
- Deferred Tax	4.93	0.47
Profit / (Loss) after Tax	(45.59)	(18.77)
Add :- Balance brought forward from last year	27.27	46.04
Balance Carried to Balance Sheet	(18.32)	27.27
Earning per Share (In Rs.)	(1.20)	(0.48)

DIVIDEND

In view of loss incurred during the year under review, your directors do not recommend any dividend for the financial year ended 31st March 2003. (Previous year Nil)

BUSINESS REVIEW & FUTURE PROSPECTS

Despite losses incurred during the financial year under review, your Directors are pleased to report that your Company has recorded impressive performance during the year under review in terms of software development programme.

The Company has developed certain educational software programmes, which are designed to impart academic knowledge through print on electronic media. Your Directors are pleased to inform that the Company has already installed software programmed in some Schools.

Considerable investment in Research and Development Areas, on-going quality enhancement program and infra-structural facilities has been made during the year for matching the increased business opportunities.

Your Company aims to provide the high quality services and products to the Domestic markets. Your Company has promising opportunities in domestic markets for its Interactive Multimedia Learning

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System designed to facilitate imparting of information to Students.

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian software sector was affected by the global downturn with the smaller players more severely hit. However, the traditional strength of the Indian software and services sector have been in software development, large projects, outsourcing, onsite services and integration. The new strength are in e-commerce / e-business, digital content development, R & D Services, telecom software and IT enabled services.

The Company has undertaken major investment activities for infrastructure facilities and computer equipment during the year under review to explore the business potential in the following areas.

- Supply of Educational Software, an interactive Multimedia Learning System
- Supply of Software Programme as per customers specifications
- Supply of Hardware of reliable peripheral component products sourced from across the globe and those of designed and developed by the Company
- Development and maintenance of Websites
- Publication and marketing of Books and CDs on computer operation

Internal Control Systems and Their Adequacy

The philosophy of the Company with regard to internal control systems and their adequacy has been formulation of effective systems and their implementation to ensure that assets and interests of the Company are safeguarded with required checks and balances in place to determine the accuracy and reliability of accounting data. The Company has an independent appraisal function to examine and evaluate the adequacy and effectiveness of the Company's internal control system. It appraises periodically about its activities and findings to the Audit Committee, Statutory Auditors and the top management.

Human Resource Development

Your Company is fully committed to people development. We strive to create a working environment that is challenging and motivates people to be performance-oriented and customer focused.

CORPORATE GOVERNANCE REPORT

As per the Listing Agreement executed by the Company, the Company has complied with the requirement of Code of Corporate Governance and a separate report is attached to this report as Annexure - I

The Corporate Governance Compliance Certificate obtained from the Auditors of the Company is also attached to this report.

FIXED DEPOSITS

Your Company has not accepted any deposits from public u/s 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

TAXATION

The Company has incurred loss during the year and as such no provision for taxation has been made.

DIRECTORS

Shri Arun Jain Director of the Company retires at the ensuing Annual General Meeting, but being eligible offers himself for re-appointment. Necessary resolution is, therefore, being proposed for his re-election. Your Directors recommend the aforesaid appointment.

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DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm :

- 1) that in preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- 2) that they had selected such accounting policies and applied them consistently and made judgements 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 Loss of the Company for the period.
- 3) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) that they had prepared the annual accounts on a going concern basis.

AUDITORS

The observation made in the Auditors Report are self-explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act. 1956.

Messrs J. M. Bhagat & Co., Chartered Accountants retires as Auditors of the Company and being eligible offer themselves for re-appointment as Auditors.

PARTICULARS OF EMPLOYEES

There were no employees of the Company drawing remuneration exceeding the limit prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Energy Conservation is always given focus from point of view of cost control and also a social responsibility. Strict Control and monitoring of usage, good upkeep and tuning of equipments results in optimum usage of electrical power.

To enhance its capability and customer services, the Company continues to make significant investments in R & D. The Company will continue to invest in the latest technologies to suit the business needs in the market place. Training employees in the latest relevant technologies would continue to remain a focus area.

There was no Foreign Exchange earning and outgo during the year under review.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the co-operation received from the Bankers, Share Transfer Agents and Government Authorities. The Board also place on record its appreciation for the confidence reposed in by the Shareholders in the Management of the Company. The Board also looks forward to continued support from staff and employees of the Company for their dedication and efforts towards the progress of the Company.

On behalf of the Board
For SHLOKA INFOTECH LIMITED

Dated : 2nd September, 2003
Place : Mumbai

K. P. CHOKHANI
B. L. VARMA
DIRECTORS

SHLOKA INFOTECH LIMITED

ANNEXURE - I

CORPORATE GOVERNANCE REPORT**Corporate Governance - Our Philosophy**

The Company's philosophy on corporate governance envisages the attainment of highest levels of transparency and accountability; in all facets of its operations, in all interaction with its Shareholders, employees, government. Some of the initiatives taken in this direction are constitution of various sub-committees like Audit Committee, Investors Grievance Committee. The Board of Directors and the Management of the Company commit themselves to such corporate Governance processes that meet Stakeholders expectation and societal commitments.

The Company is committed to the adoption of best possible and disclosure practices towards discharging its fiduciary responsibilities and protecting minority shareholders' rights, at all times.

Compliance with the SEBI Code on Corporate Governance

The Board should have an optimum combination of executive and Non-Executive Directors and at least 50% of the Board should comprise of Non-Executive Directors. Further at least one-third of the Board should comprise of Independent Directors where chairman is non-executive and at least half of the Board should be independent in case of an Executive Chairman.

1. The Board of the Company comprises fully of Non-executive Directors / Independent Directors with a considerable experience in their respective field.

Directors	Executive / Non-Executive / Independent	No. of Outside Directorship Held		No. of Outside Committee Position held	
		Public	Private	Member	chairman
Shri. K. P. chokhani	Non Executive / Independent Director	7	9	--	--
Shri. Arun Jain	=do=	1	6	--	--
Shri. Varma	=do=	2	1	--	--
Shri S. L. Khunteta	=do=	5	1	1	--

Note -

- (a) Independent Director is defined as one who is
 - not a formal executive and has no professional relationship with the Company.
 - not a large customer and/or vendor to the Company.
 - not a close relative of the promoter and/or executive director
 - not holding a significant stake
 - not a nominee of any large shareholder / creditor.
- (b) The Non-executive / Independent Directors have no pecuniary relationship or transactions with the Company in their personal capacity.

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- (c) Only three Committees viz; Audit Committee, Remuneration Committee, Shareholder's Grievance Committee are considered for the purpose of computing the number of Committees in which Directors are Member or Chairman.

The Board should set up a committee under the Chairmanship of a Non-executive / Independent Director to specifically look into Shareholders' Issue including share transfer and redressing of Shareholders' Complaints.

2. A Shareholders' Grievance Committee of the Board is in place to inter alia look into issue relating to Shareholders including transfer / transmission of shares, issue of Duplicate Share Certificate / Non-receipt of Dividend, Annual Report etc. The Composition of the Committee is as under :-

1. Shri K. P. Chokhani - Chairman
2. Shri. Arun Jain
3. Shri B. L. Varma

The Company Secretary of the Company acts as a Secretary to the committee

To expedite the process of share transfer, the Board should delegate the power of share transfer to an officer or a committee or to the Registrar and Share Transfer Agents. The delegated authority should attend to share transfer formalities atleast once in a fortnight.

3. To expedite the process of share transfer in physical segment, authority has been delegated to certain officers of the Company to approve Share transfers.

Shri. Arun Jain has been designated as a Compliance Officer. As on 31st March 2003, there were no pending share transfer. There were no share transfer pending for registration for more than 30 days as on the said date.

The Corporate Governance section of the Annual Report should make disclosures on remuneration paid to Directors in all forms including salary, benefits, bonuses, Stock Option, Pension and other fixed as well as performance linked incentives paid to Directors

4. No remuneration has been paid to the Board of Directors except sitting fees, details of which have been given below;

Directors	Sitting Fees Paid during the year	No. of Board Meeting		Attended Last AGM held on 30.9.2002
		Held	Attended	
Shri. K. P. Chokhani	5000/-	5	5	Yes
Shri. Arun Jain	5000/-	5	5	No
Shri. B. L. Varma	5000/-	5	5	No
Shri. S. L. Khunteta	NIL	5	-	No

The Board Meeting should be held at least four times in a year, with a maximum time gap of four months between any two meeting and all the information recommended by the SEBI Committee should be placed at the Board.