



# SHLOKA INFOTECH LIMITED

*CERTIFIED TRUE COPY*  
*SHLOKA INFOTECH LTD*

*Director.*

**2003 - 2004**

**12th Annual Report**

## SHLOKA INFOTECH LIMITED

### BOARD OF DIRECTORS

1. Shri. Arun Jain
2. Shri. K. P. Chokhani
3. Shri. B. L. Varma
4. Shri L. R. Daga
5. Shri Manish Malani

### COMPANY SECRETARY

Ms Minal Kataria

### AUDITORS

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

### BANKERS

UCO Bank  
Bank of Baroda

### Regd. Office

Industry House,  
159, Churchgate Reclamation.  
Mumbai – 400 020  
Tel : 22026340 / 22023793  
Fax : 22828865

### Computer Division :

68, Walkeshwar Road,  
Mumbai – 400 006.  
Tel 23676449 / 56578394

### Share Registrar and Transfer Agent :

**M/s BigShare Services Private Limited**  
E-2/3 Ansa Industrial Estate,  
Saki Vihar Road, Sakinaka, Andheri (East),  
Mumbai – 400 072  
Tel : 28470652/53  
Fax : 28475207

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## SHLOKA INFOTECH LIMITED

### NOTICE

Notice is hereby given that Twelfth Annual General Meeting of the Members of the SHLOKA INFOTECH LIMITED will be held on Wednesday, 29<sup>th</sup> September, 2004 at 3.30p.m. at Birla Mansion, Dr. D. D. Sathé Road, Prarthana Samaj, Mumbai – 400 004 to transact the following business.

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2004 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 B. L. Varma, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

#### SPECIAL BUSINESS :

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

"RESOLVED THAT Shri L. R. Daga who was appointed as an Additional Director of the Company by the Board pursuant to Section 260 of the Companies Act, 1956 and Article 115 of the Article of Association of the Company and who will hold office upto the date of this Annual General Meeting and in respect of whose appointment the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri Manish Malani, appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 115 of the Article of Association of the Company and who will hold the office upto the date of This Annual General Meeting and in respect of whose appointment the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 1956 the Authorised Share Capital of the Company be increased from Rs. 4,00,00,000/- (Rupees Four Crore only) divided into 40,00,000 (Fourty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs. 10/- (Rupees Ten only) each by the creation of Rs. 6,00,00,000 (Rupees Six Crore only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each ranking paripassu with the existing Equity Shares in the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 16 of the Companies Act, 1956, clause V of the Memorandum of Association of the Company, be and is hereby altered to read as follows :

The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore ) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The Company has the power from time to time to increase or reduce its capital in accordance with the provisions of the Companies Act, 1956.

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

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, Article 3 of the Article of Association of the Company, be and is hereby altered to read as follows :

The Authorised Share Capital of the Company is 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore ) Equity Shares of Rs. 10/- (Rupees Ten only) each."

By Order of the Board  
Shloka Infotech Limited

Date : 26<sup>th</sup> August, 2004.  
Place : Mumbai

Minal Kataria  
Company Secretary

### NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy instead of himself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its Registered Office, not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books will remain closed from Wednesday the 22<sup>nd</sup> September, 2004 to Tuesday the 28<sup>th</sup> September, 2004 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 4, 5, 6,7 and 8 of the Notice as mentioned above, is annexed hereto.

## SHLOKA INFOTECH LIMITED

4. **Members holding shares in physical form are requested to notify immediately any change in their address with pin code to the Company's Share Transfer Agents M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, 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 Depository Participants (DPs) and not to the Company.**
5. **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 Attendance Slip for attending the Meeting.**
6. **The Equity Shares of the Company are listed at The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The listing fee for the year 2004-2005 has been paid to the above Stock Exchange.**
7. **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 31<sup>st</sup> March, 2004 to enable us to keep the information ready.**



**SHLOKA INFOTECH LIMITED**

**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

**ITEM NO. 4:**

Shri Laxmi Ratan Daga was appointed as the Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 at the Meeting of the Board of Directors held on 29<sup>th</sup> April, 2004. Shri Laxmi Ratan Daga will hold the office till the conclusion of this Annual General Meeting.

The Company has received notice in writing from a Member alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Laxmi Ratan Daga to the office of Director liable to retire by rotation. A brief resume of Shri Laxmi Ratan Daga is attached in 'Corporate Governance' section of this Annual Report.

Shri Laxmi Ratan Daga has rich and varied experience in various fields which would be valueable to the Company. It is advisable and in the interest of the Company to receive the services of Shri Laxmi Ratan Daga as Director of the Company.

The Directors recommend the resolution for Members approval.

No other Director except Shri Laxmi Ratan Daga is interested in the said Resolution.

**ITEM NO. 5**

Shri Manish Malani was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 at the Meeting of the Board of Directors held on 30<sup>th</sup> July, 2004. Shri Manish Malani will hold the office till the conclusion of this Annual General Meeting.

The Company has received notice in writing from a Member alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Manish Malani to the office of Director liable to retire by rotation. A brief resume of Shri Manish Malani is attached in 'Corporate Governance' section of this Annual Report.

It is in the interest of the Company to broad-base the strength of Board of Directors. The appointment of Shri. Manish Malani as Director is in the interest of the Company as he has rich and diverse business experience. Shri. Manish Malani has special expertise in the field of Administration and Marketing.

The Directors recommend the resolution for members approval.

No other Director of the Company except Shri Manish Malani is interested in the said resolution.

**ITEM NO. 6**

The Company proposes to expand its activity and hence it is desirable to increase the Authorised Share Capital of the Company. The Equity Capital base of the Company may be increased by making

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Preferential offer, Rights Offer or Public Offer etc. The Directors have proposed to increase the existing Equity Share Capital from Rs. 4 crores to Rs. 10 crore by creation of 60 Lakhs further Equity Shares of Rs. 10/- which will rank pari passu with the existing Equity Shares in the Company. The proposed increase of Authorised Share Capital requires the approval of members at this Meeting. The Memorandum and Article of Association are also to be amended to reflect the increase in Equity Share Capital.

The Board recommends the resolution for approval of Members.

None of the Directors of the Company is interested in the Resolution.

### **ITEM NO.7**

It is proposed by the Directors to increase the Authorised Share Capital of the Company to carry out its expansion plans. The existing Equity Share Capital of Rs. 4 Crores be increased to Rs. 10 Crore by creation of 60 Lakhs Equity Shares of Rs. 10/- each. Pursuant to provisions of Section 16 of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company is to be amended at this Meeting by passing Ordinary Resolution.

The Board recommends the resolution for approval of Members.

None of the Director of the Company is interested in the Resolution.

### **ITEM NO. 8**

The Company proposes to expand its activity and hence it is desirable to increase the Authorised Share Capital of the Company. The existing Equity Share Capital of Rs. 4 Crores be increased to Rs. 10 Crores by creation of 60 Lakhs Equity Shares of Rs. 10/- each. Pursuant to provisions of Section 31 of the Companies Act, 1956, Article 3 of the Articles of Association of Company is to be amended at this Meeting by passing Special Resolution.

The Board recommends the resolution for approval of Members.

None of the Director of the Company is interested in the Resolution.

By Order of the Board  
Shloka Infotech Limited

Date : 26<sup>th</sup> August, 2004  
Place: Mumbai

Minal Kataria  
Company Secretary

**SHLOKA INFOTECH LIMITED****DIRECTORS' REPORT**

To  
The Members,

Your Directors are pleased to present the audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2004.

**Financial Results**

(Rs. in Lakhs)

Particulars	As on 31.3.2004	As on 31.3.2003
Total Income	111.56	81.30
Less :- Total Expenditure	195.93	110.97
Interest	11.23	2.30
Profit/Loss before Tax and Depreciation	(95.60)	(31.97)
Less :- Depreciation	22.28	8.69
Profit / (Loss) before Tax	(117.88)	(40.66)
Less :- Provision for Taxation	-	-
- Current Year Tax	-	-
- Deferred Tax	(2.19)	4.93
Profit / (Loss) after Tax	(115.69)	(45.59)
Add :- Balance brought forward from last year	(18.32)	27.27
Balance carried to Balance Sheet	(134.01)	(18.32)
Earning per share (In Rs.)	(3.05)	(1.20)

**DIVIDEND**

In view of loss incurred during the year under review, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2004.

**BUSINESS REVIEW & FUTURE PROSPECTS**

The company has developed a curriculum based educational software programme, viz 'Vidyopasana' as per the syllabus prescribed by different Educational Boards which is designed to impart academic knowledge through electronic media.

Your Directors are pleased to inform that the Company has approximately 10,000/- students using the software programmes.

To cope up with the increased business opportunities your company has made considerable investment in Research and Development Areas, ongoing quality enhancement program and infrastructural facilities, etc.

**SHLOKA INFOTECH LIMITED****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(i) Industry Structure and developments**

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

**(ii) Opportunities and Threats**

With many developments in economy, cut throat competition, the prime opportunity lies in meeting customer's expectations in terms of high quality, prompt response time, services & performance and the same opportunities were regularly grabbed by your Company. The threats faced by the software sector is global downturn with small players more severally hit.

**(iii) Segment-wise or Product-wise performance**

The Company has two segments, Finance and Infotech. Both the segments have incurred loss during the Financial Year 2003-2004.

**(iv) Outlook**

The overall future business outlook for the Company is in development of following areas

- supply of educational software in schools,
- an interactive multimedia learning system,
- supply of software as per customer specifications,
- supply of hardware of reliable peripheral component products sourced from across the globe and those of designed and developed by the Company.

**(v) Risk and concerns**

The major risks which prevail in the industry are high fluctuations in the prices of software programmes, hardware component. The Company faces risks due to competition in the Indian market. Your Company is taking due care for prevailing risks in the industry by adopting new technology and latest knowhow in development of the software programmes.

**(vi) Internal Control System and their adequacy**

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

**(vii) Financial performance with respect to Operational performance**

The Company has achieved a turnover of Rs.1.05 crores during the year 2003-2004. 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 were cordial during the year. The Company has taken steps to provide training to all levels of employees of the Company in various fields. The workforce of the Company including workers, staffs and executive were 110 during the year under review.

**SHLOKA INFOTECH LIMITED****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 a part of this Report.

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 under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

**TAXATION**

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

**DIRECTORS**

Shri S. L. Khunteta resigned from Directorship of the Company with effect from 29<sup>th</sup> April, 2004. The Board of Directors has expressed sincere appreciation for the services received from him during the tenure of his duties as a Director of the Company.

Shri B. L. Varma retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as a Director of the Company. Your Directors recommend the aforesaid appointment.

Shri L. R. Daga who was appointed as Additional Director of the Company with effect from 29<sup>th</sup> April, 2004 and who will hold office till this Annual General Meeting shall be re-appointed as Director of the Company. A member of the Company has proposed the appointment of Shri. L. R. Daga by giving a notice pursuant to Section 257 of the Companies Act, 1956 and deposit of Rs. 500/-. The re-appointment of Shri L. R. Daga is subject to approval of the Members of the Company.

Shri. Manish Malani was appointed as a Director of the Company with effect from 30<sup>th</sup> July, 2004 and he will hold office as Director of Company till this Annual General Meeting. The Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- from a member proposing candidature of Shri. Manish Malani to the office of Director. He will be re-appointed at this Annual General Meeting. The re-appointment of Shri. Manish Malani as Director of the Company is subject to approval of the Members of the Company.