



# SHLOKA INFOTECH LIMITED

Report  Junction.com

**16<sup>TH</sup> ANNUAL REPORT**

**2007-2008**

## BOARD OF DIRECTORS

1. Shri. K.P.Chokhani
2. Shri. Nidigallu Sri Krishna
3. Shri. Anuj Batra

## COMPANY SECRETARY

Mr. Roy Jacob

## AUDITORS

M/s L.K.M & Co

Chartered Accountants.

Mumbai.

## BANKERS

Yes Bank

State Bank of India

## REGD. OFFICE.

Industry House

159, Churchgate Reclamation

Mumbai-400 020

Tel: 22026340

Fax: 22047835

## CORPORATE OFFICE

Dalamal House, 1<sup>st</sup> Floor,

206, J.B.Marg, Nariman Point

Mumbai-400 021

Tel: 22821173

## SHARE REGISTRAR AND TRANSFER AGENT:

M/s. Bigshare Services Private Limited

E-2/3 Ansa Industrial Estate,

Saki Vihar Road, Sakinaka,

Andheri(E), Mumbai-400 072

Tel:28470652/53

Fax: 28475207

## Contents

Notice.....	1
Director's Report .....	3
Auditor's Report .....	15
Balance sheet .....	20
Profit & Loss Account .....	21
Schedule of Accounts .....	22

## **ANNUAL REPORT 2007-2008**

### **NOTICE**

Notice is hereby given that 16<sup>th</sup> Annual General Meeting of the Members of **SHLOKA INFOTECH LIMITED** will be held on Tuesday 30<sup>th</sup> day of September 2008 at 5 pm at Gopi Birla Memorial School, 68, Walkeshwar Road, Mumbai-400 006 to transact the following business:-

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance sheet as at 31<sup>st</sup> March 2008 and the profit and Loss account for the year ended on that date together with the Report of Directors and Auditors thereon
2. To appoint a Director in place of Mr. K.P.Chokhani who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s L.K.M. & Co, Chartered accountants, Mumbai be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors".

#### **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 in accordance with the provisions of section 257 and all other applicable provisions of Companies Act, 1956 or any statutory modification(s) or enactment thereof, Mr. Nidigallu Sri Krishna, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of Articles of the Company".

**By order of the Board of Directors of  
Shloka Infotech Limited**

Date: 4<sup>th</sup> September 2008  
Mumbai Director

#### **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 **26<sup>th</sup> September 2008 to 30<sup>th</sup> September 2008** (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 Share transfer Agents M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai -400 072 and in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants (DPs) and not to the Company.
4. Members, who hold shares in dematerialized form, are requested to write their client ID Numbers and those who holds shares in physical form are requested to write their folio Number in Attendance Slip for attending the meeting.
5. Members are requested to write to the company at least seven days in advance before the date of meeting in case they need any information as regards to the Audited Accounts for the financial year ended on 31<sup>st</sup> March 2008 to enable us to keep the information ready.

**Explanatory statement pursuant to section 173(2) of the Companies Act, 1956**

**Item No.4**

- The Board of Directors of the company has appointed, pursuant to the provisions of section 260 of the Companies act, 1956 and Article 115 of the Articles of Association of the Company, Mr. Nidigallu Sri Krishna as an Additional Director of the company with effect from 3<sup>rd</sup> July 2008. In terms of provisions of Section 260 of the Companies Act, Mr. Nidigallu Sri Krishna would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of Rs.500/-, proposing the candidature of Mr. Nidigallu Sri Krishna for the office of Director of the company under the provisions of section 257 of the Act.

Mr. Nidigallu Sri Krishna has, to his credit, more than 15 years of experience in Real Estate, Infrastructure development, Entertainment and Education. Mr. Nidigallu Sri Krishna has successfully commissioned projects for prestigious organisations like CDAC, Anna University and Gemini Network. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Mr. Nidigallu Sri Krishna is appointed as a Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of Articles of Association of the Company.

A brief resume of Mr. Nidigallu Sri Krishna, nature of his expertise in specific functional areas and names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, as stipulated under Clause 49 of Listing agreement with the Stock Exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The Board recommends the resolution set out at Item No.4 of the Notice for your approval.

Save and except Mr. Nidigallu Sri Krishna, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

**ANNUAL REPORT 2007-2008****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 2008.

**FINANCIAL RESULTS**

(in lakhs)

Particulars	As on 31.03.2008	As on 31.03.2007
Total Income	3880.41	104.32
Total Expenditure	3746.75	73.71
Interest	-	-
Profit/(Loss) before Tax and Depreciation	133.66	30.61
Less: Depreciation	23.35	25.04
Profit/(Loss) Before Tax	110.31	5.57
Less: Provision for Taxation	-	(0.42)
Current Year Tax	3.50	-
Deferred Tax	(7.76)	-
Profit/(Loss) After Tax	114.57	5.99
Add:- Balance brought forward from last Year	(117.41)	(123.40)
Balance Carried to Balance Sheet	(6.97)	(117.41)
Earning Per Share	3.02	0.16

**DIVIDEND**

In view of inadequacy of profits, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2008.

**BUSINESS REVIEW& FUTURE PROSPECTS**

The company has developed a curriculum based educational software program Viz, 'Vidhyopasana' as per the syllabus prescribed by different Educational Boards that is designed to impart academic knowledge through electronic media for two subjects at present. However, the Company is developing similar Curriculum based Educational Software Programme for rest of the subjects prescribed in the syllabus of different educational boards. To cope up with the increased business opportunities your company has made considerable investment in research and development areas, ongoing quality enhancement program and infrastructure facilities, etc.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(i) Industry Structure and development**

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

**(ii) Opportunities and Threats.**

With the focus of economy and of the future on the education, which is more in digital/soft form, there is tremendous potential for this sector to grow. As of today hardly 3% of the total educational system could have been digitalized. Numerous players are entering in to this arena and are trying to convert the existing form of educational system.

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

Your Company had already discontinued its Finance Division from April 1,2004, so in the financial Year under review no segment wise reporting has been done.

**(iv) Outlook**

Looking in to current form of educational system, we envisage a much broader outlook for your Company wherein it will be active in development of products in multiform, namely, internet, broadcast, 3G. Even the products of international quality and complying with international standards will be developed which can, not only be penetrated in the local markets, but also will be sold overseas.

**(v) Risk and Concerns**

High Capital Cost incurred in software development needs to have a smaller pay back period. The reason being continuous decline in cost of software programmes. Hence it needs to reach mass customer in a shorter time with again higher implementation cost and smaller pay back period.

**(vi) Internal Control system and their adequacy.**

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

**(vii) Financial Performance with respect to Operational Performance.**

The company has achieved a turnover of Rs 3880.41 Crore during the year 2007-08. To get an overall view on financial performance, please refer the Financial Results as given above.

**(viii) Material development in Human Resources/ Industrial Relations front, including Number of people employed.**

The working environment of the company was cordial during the year. The Company has taken steps to provide training to all the levels of employees of the Company in various fields. The workforce of the company including workers, staffs and executive were 91 during the year under review.

**CORPORATE GOVERNANCE REPORT**

A report on Corporate Governance pursuant to clause 49 of the listing agreement with the stock exchange is attached as a separate annexure and forms part of this report. Corporate Governance Compliance certificate obtained from the Auditors of the company is also attached to this report.

**Fixed Deposit**

The Company does not accept any deposits from public under section 58A of the Companies Act, 1956 read with Companies (acceptance of Deposit) Rules, 1975.

## **ANNUAL REPORT 2007-2008**

### **Taxation.**

The Company has made provision for taxation to extend of 3.5 lakhs during the current year.

### **Directors**

Shri. K.P.Chokhani - Director of the Company retires by rotation and being eligible offers himself for re-appointment. Mr. Shishir Dalal resigned on 14<sup>th</sup> June 2008 and Mr.Nidigallu Sri Krishna is appointed as Additional Director of the Company w.e.f. 3<sup>rd</sup> July 2008.

A brief resume of the Director(s) seeking appointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas, and names of Companies in which they hold the directorship and the Membership/Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section on Corporate Governance elsewhere in the Annual Report.

### **Directors' Responsibility Statement:**

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

- (i) in the preparation of the accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts of the company on a 'going concern' basis.

### **Auditors**

M/s L.K.M & Co, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s.L.K.M. & Co, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

### **Particulars of Employees**

There are no employees covered by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### **Energy Conservation, Technology Absorption and Foreign Exchange**

#### **Earnings 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 off of equipments results in optimum usage of electrical power. To enhance its capability and customer services, the company continues to make significant investments in research and development. The Company will continue to invest in the latest technologies to suit the business needs in the market place. Training employees in the latest and relevant technologies would continue to remain a focus area.

There was no foreign exchange earning and out go during the year under review.

**Acknowledgements:**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

**For and on behalf of the Board of Directors**  
**Of SHLOKA INFOTECH LIMITED**

Anuj Batra  
**Director**

K.P.Chokhani  
**Director**

Mumbai  
Dated: 3<sup>rd</sup> July 2008

Report  Junction.com



**ANNUAL REPORT 2007-2008****CORPORATE GOVERNANCE REPORT**

(Pursuant to Clause 49 of the listing agreement with the Bombay Stock Exchange)

**1. Company's Philosophy on Code of Governance**

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The Company is committed to achieve the highest international standards of Corporate Governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

**2. Board of Directors****I. Composition and Category**

The Board of the Company at present consists of Directors, all being Non-Executive and three of them are independent

**II. Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies**

Sr No	Name of Director	Category	No. of meeting attended	Whether attended previous AGM	No. of external Directorship held as on 31 <sup>st</sup> March 2008		No. of other committees in which chairman/ Member as on 31 <sup>st</sup> March 2008	
					Public	Private	Member	chairman
1.	Anuj Batra	Non-Executive	4	Yes	-	7	2	2
2	K.P.Chokhani	Non-Executive	4	No	4	13	2	-
3	Shishir Dalal	Non-Executive	5	No	-	1	2	-
4	Nidigallu Srikrishna	Non-Executive	N.A	NA	-	-	-	-
5	Manish Malani	Non-Executive	1	No	1	2	1	1

Mr. Manish Malani resigned from the Board of Director on 3<sup>rd</sup> July 2007. Mr. Shishir Dalal resigned from the Board of Directors of the company on 14<sup>th</sup> June 2008 and Mr. Nidigallu Sri Krishna was appointed as additional director from 3<sup>rd</sup> July 2008.

**III. Number of Board Meetings held and the dates on which held**

During the year ended 31<sup>st</sup> March, 2008, 5 Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on 29<sup>th</sup> June 2007, 31<sup>st</sup> July 2007, 3<sup>rd</sup> September, 2007, 31<sup>st</sup> October, 2007 and 31<sup>st</sup> January 2008.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than four months. None of the directors of the Company was a member of more than ten committees or the Chairman of more than five committees across all public limited companies in which have directors.

For the purpose of considering the limit of the Committees as stated above, only Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee across all public limited companies has been considered in accordance with clause 49 of the Listing Agreement.

**SHLOKA INFOTECH LTD.****IV. Information on Directors Appointment / Re-appointment**

Brief resume of Directors being re-appointed / appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of the companies in which they hold directorship (excluding directorship held in Private Limited and Section 25 Companies) and the membership of committees of the Board is furnished hereunder :

- (1) **Mr.K.P.Chokhani** :- Mr.K.P.Chokhani, aged 68 years, B Com , MIMA, FSAA having experience of over 47 years in various capacity and field.

**Other Directorships**

1. Aligator (KP) Consultancy Pvt. Limited
2. Asian Disrtibutors Pvt.Ltd.
3. Birla Art Lifestyle Pvt.Ltd.
4. Birla Bombay Pvt.Ltd.
5. Birla Infrastructure Pvt.Ltd.
6. Birla Leasing & Infrastructure Pvt.Ltd.
7. Birla Global Corporate Ltd.
8. Birla Lifestyle Pvt.Ltd.
9. Birla Wellness & Healthcare Ltd.
10. Crocodile (KP) Consultants Pvt.Ltd.
11. Lakshmi Properties Ltd.
12. Mouthhill Investment Advisers Pvt.Ltd.
13. Nirved Traders Private Limited
14. Shloka Infotech Ltd.
15. Shloka Publications Pvt.Ltd.
16. Vedant Consultancy Pvt.Ltd.
17. Zenith Dyeintermediates Ltd.

- (2) **Mr. Nidigulla Sri Krishna**, aged 40 years, having experience of over 15 years in Real Estate, Infrastructure development, Entertainment and Education.

**Other Director ships**

Enmasse Consultancy Private Limited