



THE YASH BIRLA GROUP



**BIRLA SHLOKA EDUTECH LIMITED**

**2009-2010**

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

**BOARD OF DIRECTORS:**

1.

Mr. Yashovardhan Birla
2.

Mr. Nigidallu Srikrishna
3.

Mr. Mohandas Shenoy Adige
4.

Mr. Vijay Agarwal
5.

Mr. Anoj Menon
6.

Mr. Tushar Dey
- Chairman
- Managing Director
- Director
- Director
- Director
- Director

**COMPANY SECRETARY &  
COMPLIANCE OFFICER:**

Ms. Jigna Parikh

**AUDITORS:**

M/s L.K.M. & Co  
Chartered Accountants  
Mumbai

**BANKERS:**

Bank of India  
YES Bank

**REGISTERED OFFICE:**

Industry House  
159, Churchgate Reclamation  
Mumbai 400 020

**HEAD OFFICE:**

Melstar House,  
G-4, M.I.D.C Cross Road –A,  
Andheri – East,  
Mumbai – 400 093

**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: 022-40430200  
Fax: 022-28475207

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## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of Birla Shloka Edutech Limited will be held on Monday, 27th September, 2010 at 3.00 pm at Maharashtra Chamber of Commerce, Oricon House, 6th floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 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. Tushar Dey who retires by rotation at this meeting 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. and Co., Chartered Accountants, Mumbai (Firm Registration No.126823W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next the Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors".

### SPECIAL BUSINESS:

4. **Increase in Authorised Share Capital and amendment of the Memorandum of Association of the Company:**

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

**"RESOLVED THAT** pursuant to Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- each (Rupees Ten only) to Rs.100,00,00,000/- (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10/- each (Rupees Ten only) by creation of an additional 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each (Rupees Ten only)."

**"RESOLVED FURTHER THAT** the existing Clause "V" of the Memorandum of Association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in its place, the following as new Clause "V" :

- V. The Authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees One Hundred Crores only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs.10/- each (Rupees Ten only) with such rights, privileges and conditions attaching thereto as are provided by the Articles of Association 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 to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company."

5. **Amendment of Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and the following article be substituted in its place as new Article 3 :

3. The Authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees Hundred Crores only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 10/- each (Rupees Ten only) each with power to increase and/or reduce the capital of the Company in accordance with the provisions of the Act and to divide the shares in the increased capital into several classes and attach thereto respectively such



preferential, qualified or special rights, privileges and conditions in such manner as may be permitted for the time being."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company."

#### 6. Further Issue of Securities:

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

**"RESOLVED THAT** pursuant to and in accordance with the provisions of Section 81 (1), 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, and subject to any required approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India and the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and / or any other competent authorities, and pursuant to the Securities and Exchange Board of India guidelines, the Reserve Bank of India Guidelines, the relevant provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Agreement(s) with Stock Exchange on which the shares of the Company are listed (including any amendment thereto or re-enactment of all or any of the aforesaid) and subject to all such approvals, permissions, sanctions and consents, if any, as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such conditions and modifications as may be prescribed by any of the above said authorities, bodies and agencies, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof which the Board may have or may hereafter constitute, to which all or any of the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), from time to time in one or more tranches, whether rupee denominated or denominated in foreign currency, in consultation with the Lead Manager(s) and/or Underwriter(s) and/or other advisor(s), (i) Foreign Currency Convertible Bonds and/or other Securities including debentures convertible, at the option of the Company and/or entitling the holder thereof to apply and convert at his option into equity shares, and/or (ii) other securities convertible into or exchangeable with or linked to equity shares, and/or (iii) securities with or without detachable Warrants with a right exercisable by the warrant holder to subscribe for equity shares, and/or (iv) Warrants with a right or option exercisable by the warrant holder to convert or subscribe to equity shares, and/or (v) equity shares, preference shares or other convertible/non convertible securities of the Company, through public issue, right issue, Global Depository Receipts, American Depository Receipts, Qualified Institutions Placement, private offerings or through depository receipt mechanism, participatory notes or otherwise (all hereinafter collectively referred to as the "Securities") and/or any combination of securities in domestic and/or one or more international markets to any person including promoters, existing shareholder(s), employee, Indian Public, Qualified Institutional Buyer(s), domestic institution(s), institutional investor(s), bank(s), mutual fund(s), companies, bodies corporate or other entities, individuals or other persons (collectively referred to as the "Investors"), whether residents and/or non-residents and/or strategic investors and/or non resident individuals and/or corporate bodies and whether or not such investors are members of the Company, as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs.250 Crores (Rupees Two Hundred and Fifty Crores only) or equivalent thereof in one or more foreign currency, inclusive of such premium as may be fixed on such Securities by offering the Securities through public offer and/or offer letter and/or placement document and/or circular and/or information memorandum and/or such other documents writings, and/or on private placement basis and/or a combination thereof in such manner, on such terms and conditions and at such time or times as may be determined by the Board in its absolute discretion, with power to settle details as to the form and terms of issue of the Securities and all other terms, conditions and matters connected therewith including to accept any modifications thereto or therein as may be required by concerned authorities and/or persons involved with any such issue of Securities subject, however, to all applicable laws and regulations.



**RESOLVED FURTHER THAT** in the event of issue of Securities by way of Global Depository Receipts and/or American Depository Receipts and/or Foreign Currency Convertible Bonds, the relevant date on the basis of which floor price for the underlying shares shall be determined, shall be the date as specified under the applicable law or regulation.

**RESOLVED FURTHER THAT** the relevant date for determination of the floor price of the equity shares that may be issued by way of Qualified Institutions Placement pursuant to Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, is as follows:

- (i) in case of allotment of equity shares, the date of the meeting in which the Board decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

**RESOLVED FURTHER THAT** the pricing of the securities and the pricing of any equity shares issued upon the conversion of the securities shall be made subject to and in compliance with the applicable laws and regulations.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares, with or without conversion rights, with or without voting rights or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into equity shares or issue of equity shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into equity shares.

**RESOLVED FURTHER THAT** in the event any of the Securities are issued in international / foreign capital market, the issue of such Securities shall be deemed to have been made abroad in the market and/or at the place of issue of such Security in the international market and shall be governed by the applicable domestic/ foreign laws/regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity Shares pursuant hereto and/or as may be required to be issued and allotted upon conversion of any of the Securities referred to above or as may be necessary in accordance with the terms of offering thereof and all Equity Shares so issued and allotted shall be subject to the Memorandum and Articles of Association of the Company shall rank pari passu in all respects with the existing Shares of the Company unless otherwise specified in the relevant terms.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation, appointment of such Consultants, Lead Managers, Underwriters, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agent(s), Authorised Representatives, Trustee(s), Banker(s), Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required and to pay them such fees, commission and other expenses as it deems fit and enter into or execute all such agreement(s)/arrangement(s), MOU(s)/placement agreement(s)/underwriting agreement(s)/ deposit agreement(s)/trust deeds/subsorption agreement/payment and conversion agency agreement/ or any other agreement(s) or document(s) with any such agencies, list the securities in domestic and/or international



stock exchange(s), authorizing any director(s) or any officer(s) of the Company, to sign for and on behalf of the Company offer document(s), agreement(s), arrangement(s), applications, authority letter or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certificate(s), declaration(s) as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers to any Director or Committee of Directors/Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions."

**7. Delisting of shares from Calcutta Stock Exchange Limited:**

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

**"RESOLVED THAT** subject to the Securities and Exchange Board of India (SEBI) Regulations, Guidelines and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting of the equity shares of the Company from the Calcutta Stock Exchange Limited (CSE) and for that matter to approach the said Stock Exchange and any other concerned authorities, seeking its/their approval for voluntary delisting of Equity Shares from the said Stock Exchange."

**"RESOLVED FURTHER THAT** the Board of Directors or any officer authorized by the Board is authorized to take all such steps, to do all such acts, deeds, things and to settle all questions, difficulties or doubts as may arise in this regards to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval from the Members."

**8. Delisting of Shares from Ahmedabad Stock Exchange Limited:**

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

**"RESOLVED THAT** subject to the Securities and Exchange Board of India (SEBI) Regulations, Guidelines and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting of the equity shares of the Company from the Ahmedabad Stock Exchange Limited (ASE) and for that matter to approach the said Stock Exchange and any other concerned authorities, seeking its/their approval for voluntary delisting of Equity Shares from the said Stock Exchange."

**"RESOLVED FURTHER THAT** the Board of Directors or any officer authorized by the Board is authorized to take all such steps, to do all such acts, deeds, things and to settle all questions difficulties or doubts as may arise in this regards to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval from the Members."

**9. Increase in Remuneration of the Managing Director:**

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

**"RESOLVED THAT** as per the recommendation of Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration including salary, allowances, perquisites and benefits to Mr. Nidigallu Srikrishna, Managing Director of the Company as per the terms and conditions set out hereunder, with effect from 1st April, 2010 till the expiry of this present term i.e. 31st May, 2012 subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956.

**I. Salary/Perquisites/Benefits/Allowance**

1. Mr. Nidigallu Srikrishna shall be entitled to a salary, perquisites, allowances, benefits, etc. not exceeding Rs. 36 lakhs per annum.
2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imbursement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, benefits & allowances as per the policy / rules of the Company that may be in force. Allowances and



perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.

- Mr. Nidigallu Srikrishna shall also be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, Encashment of Leave at the end of his tenure as Managing Director, as per the policies/ rules of the Company and the same shall not be included for the purposes of computation of perquisites.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and / or vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Nidigallu Srikrishna from time to time, as deemed expedient or necessary and the terms of agreement shall be suitably modified to give effect to such alteration and/or variation."

#### 10. Issuance of Equity Share Warrants of the Company to Promoters on Preferential Allotment Basis:

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

**"RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and / or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 20,00,000 warrants to the Promoter and Promoter Group of the Company (hereinafter referred to as "allottees") entitling the warrant holders to subscribe in one or more tranches for one equity share of the face value of Rs.10/- each fully paid up, at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which shall be higher of the following:

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date:

OR

- The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges during the two weeks preceding the relevant date.

The allottees being as follows:

#### Promoter and Promoter Group:

Sr. No.	Name of the Promoter	No. of Warrants
1.	Godavari Corporation Private Limited	7,00,000
2.	Nirved Traders Private Limited	7,00,000
3.	Shearson Investments & Trading Co Pvt Ltd	6,00,000
	<b>Total</b>	<b>20,00,000</b>

**RESOLVED FURTHER THAT:**

- I. The Equity Shares to be issued and allotted by the Company on conversion of warrants in the manner aforesaid shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- II. The Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares of the Company, including entitlement to dividend.

**RESOLVED FURTHER THAT:**

- I. The warrant holders shall be entitled to apply for and obtain in their sole discretion for every warrant one equity share of Rs. 10/- each fully paid up at a price calculated in accordance with Regulation 76(1) of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which option shall be exercised by the warrant holder at any time before the expiry of 18 months ("term of the warrants") of such issue by giving a notice of at least 10 days.
- II. The warrant holders are entitled to exercise the warrants in full or in part or may decline to exercise the option to convert the warrants, in which case the unexercised warrants shall be deemed to have lapsed at the end of their term,
- III. In consideration of the warrants being subscribed, the aforesaid allottees shall pay to the Company an amount representing 25 % of the issue price of the Equity Shares at the time of allotment of the Warrants. The balance 75% shall be payable at the time of allotment of the Equity shares pursuant to the exercise of the option of conversion of the warrants. The Board shall forfeit such amount in respect of any such warrants in respect of which the allottees do not exercise their option to convert the same into Equity Shares.
- IV. The warrant by itself shall not give the holder thereof any rights of shareholder of the Company. Further, these warrants are non-transferable and shall not be listed on the Stock Exchange(s).
- V. The Board shall be entitled to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of Equity Shares and warrants, including reduction of the size of the issue, as it may deem expedient.

**RESOLVED FURTHER THAT** the Relevant Date for the preferential issue, in relation to the Warrants, for the purpose of determining the issue price of Equity Shares (to be allotted on exercise / conversion of the warrants) will be the date 30 days prior to the date of the Annual General Meeting which is in accordance with Regulation 71 of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and (including the equity shares arising on exercise of the warrants) and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all question, doubts and difficulties that may arise in the proposed issue, offer and allotment of any of the securities, utilization of the issue proceeds and to do all such acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

**By order of the Board of Directors of  
Birla Shloka Edutech Limited**

Place: Mumbai  
Date: 4th September, 2010

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 23rd September, 2010 to 27th September, 2010 (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 hold shares in physical form are requested to write their folio number in the 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 31st March 2010, to enable us to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:****Item No. 4 & 5 - Increase in Authorized Share Capital of the Company:**

At present, the Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- each (Rupees Ten only). To augment the financial needs, your Company is planning to offer, issue and allot Equity Shares of such amount as may be deemed necessary and beneficial, and raise funds by further issue of capital in the due course of time. This will require increase in the Authorised Share Capital from Rs.50,00,00,000/- (Rupees Fifty Crores Only) to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) by creation of 5,00,00,000 (Five Crore) Equity Shares of Rs.10/- each (Rupees Ten Only).

Pursuant to Section 94 of the Companies Act, 1956, the above proposal requires the approval of the shareholders. The resolution proposed vide Item No. 4 and 5, if approved, would also result into amendment of Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company. The approval of the shareholders for the proposed amendments would be required vide Sections 16 and 31 of the said Act, respectively.

The resolutions proposed in Item Nos.4 and 5 are therefore recommended for your approval.

None of the Directors of the Company are interested or concerned in the above resolution.

**Item No. 6 - Further Issue of Securities**

It is proposed to raise funds by further issue of shares/securities by way of and through issuance of shares/foreign currency convertible bonds/ share warrants/ equity linked securities/ADRs /GDRs as may be permitted under the applicable laws and regulations and as may be deemed necessary and beneficial to the Company in the due course of time. The proceeds of the issue are proposed to be utilised towards the Company's long term working capital, to finance future projects, acquisitions and other corporate purposes.

The detailed terms and conditions for offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

As per Section 81(1A) of the Companies Act, 1956, whenever it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81 unless the shareholders in a General Meeting by way of special resolution decide otherwise. As the Special Resolution proposed in the Notice results in the issue of shares of the Company to members and /or non-members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1), 81 (1A) and other applicable provisions of the Companies Act, 1956 and the clauses of Listing Agreement executed by the Company with Stock Exchange where the Equity Shares of the Company are listed.



The Special Resolution seeks to provide enabling authority to the Board of Directors of the Company to issue the securities as mentioned in the Resolution.

The Board recommends the Special Resolution as set out in the Notice for members' approval.

None of the Directors of the Company are interested or concerned in the above resolution, except to the extent of their shareholding.

#### **Item No. 7 & 8 - Delisting from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited**

The Company's shares are listed on Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited (ASE) and Calcutta Stock Exchange Limited (CSE). Bombay Stock Exchange Limited (BSE) provides a nation wide trading facility and unrestricted, unhindered access to the investors to trade in the shares of the Company. Also, the trading volume in Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited is very insignificant. Hence it is proposed that the Equity Shares of the Company be de-listed from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

The shareholders are requested to accord their approval to the special resolutions for de-listing of Equity Shares from Ahmedabad Stock Exchange Limited and Calcutta Stock Exchange Limited.

None of the Directors of the Company are interested or concerned in the above resolution.

#### **Item No. 9 - Increase in Remuneration of the Managing Director**

Mr. Nidigallu Srikrishna was appointed as a Director of the Company on 3rd July, 2008 and subsequently as the Managing Director of the Company w.e.f. 1st June, 2009.

The Remuneration Committee and the Board of Directors of the Company in their meeting held on 10th August, 2010 have recommended the increase in remuneration of Mr. Nidigallu Srikrishna w.e.f. 1st April, 2010, subject to the approval of the shareholders of the Company.

Mr. Nidigallu Srikrishna, aged 42 years is a qualified B.E. (Engg) from SMBIT Institute of Technology, Bangalore University. Prior to joining the Company, he was the Managing Director of M/s Enmasse Consultancies Private Limited. Mr. Nidigallu Srikrishna has to this credit, an experience of over 15 years in Entertainment, Education and Infrastructure development. He has successfully commissioned projects for prestigious organizations like CDAC, Ministry of Information Technology, GoI, Anna University and Gemini Network.

The Company has benefited from his rich and varied experience and continues to do so.

The increase in remuneration as mentioned in the notice may be treated as an abstract of the variation of the contract of the appointment of Mr. Nidigallu Srikrishna under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Nidigallu Srikrishna are concerned and/or interested in the proposed resolution.

The Board recommends the resolution as mentioned in Item No.9 of the Notice.

## **INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT 1956**

### **I. GENERAL INFORMATION**

1. Nature of Industry: Development and marketing of software products including multimedia based educational products
2. Date or expected date of commencement commercial production: The Company was incorporated on 25th May, 1992 as a private limited company and is in operation since then. However the current activities of the Company were commenced in the year 1998.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus: Not Applicable
4. Financial performance based on the given indicators: