
BOARD OF DIRECTORS

Mr. Amrut P. Shah	Chairman
Mr. Chirag K. Gala	Whole-time Director (w.e.f. 1-4-2011)
Ms. Riddhi A. Shah	Whole-time Director (w.e.f. 1-4-2011)
Mr. Shantilal P. Shah	Director
Mr. Hasmukh A. Gada	Director

AUDITORS : M/s Bhuta Shah & Co.
Chartered Accountants, Mumbai

BANKERS : Union Bank of India
: State Bank of India

REGISTERED OFFICE : 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road,
Andheri (W), Mumbai- 400 058, INDIA

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Notice

To,

The Members,

SUNDARAM EDUSYS PRIVATE LIMITED

NOTICE is hereby given that the **Second Annual General Meeting** of the Members of SUNDARAM EDUSYS PRIVATE LIMITED will be held on Thursday, 29th September, 2011 at 11.00 a.m. at the Registered Office of the Company at 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai-400 058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date and the schedules together with the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Shantilal P. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors 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 M/s Bhuta Shah & Co., Chartered Accountants, Mumbai, having firm registration no. 101474W, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration for the period.”

By Order of the Board,
For Sundaram Edusys Private Limited

Amrut P. Shah
Chairman

Mumbai on this 07th Day of August 2011

REGISTERED OFFICE:

903, Dev Plaza, Opp Andheri Fire Station, S.V. Road, Andheri (W), Mumbai 400 058, INDIA.

Notice | continued

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. THE PROXY TO BE EFFECTIVE, SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
3. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

By Order of the Board,
For **Sundaram Edusys Private Limited**

Amrut P. Shah
Chairman

Mumbai on this 07th Day of August 2011

REGISTERED OFFICE:

903, Dev Plaza, Opp Andheri Fire Station, S.V. Road, Andheri (W), Mumbai 400 058, INDIA.

Directors' Report

To,

The Members,

Sundaram Edusys Private Limited

The Directors of your Company have pleasure in presenting herewith the **Second** Annual Report of your Company together with the audited Balance Sheet and Statements of Accounts for the year ended 31st March 2011.

1. FINANCIAL HIGHLIGHTS & OPERATIONS:

The Financial Highlights of the Company are as follows:

Particulars	(Amount in ₹)	
	2010-11	2009-10
Total Income	25,006,535	--
Profit/(Loss) before interest, depreciation & Tax	(22,713,421)	--
Less: Interest & Financial Cost	3,114,954	--
Profit/(Loss) before Depreciation & Tax	(25,828,375)	--
Less: Less: Depreciation	2,344,660	--
Less: Deferred Tax	(9,135,835)	--
Profit/(Loss) after Tax	(19,037,200)	--
Add: Balance Brought Forward from earlier years	Nil	--
Appropriations	Nil	--
Balance carried to Balance sheet	(19,037,200)	--

During the Financial Year 2010-11, The Company has started the commercial production in the month of February and earned total revenue of ₹ 25,006,535.

2. INDUSTRY OVERVIEW, OPPORTUNITIES AND RISK CONCERNS:

• Ideology of Education Industry:

In the present era of globalization, liberalization and privatization, education is viewed as an input to empowerment, social justice and survival of individual and nation. Further, India seems an ideal market because of demographics (young population) and an economy focused on services (instead of industrial production like China) which makes education a key factor, illustrated by Indian presence in sectors like software, generic pharmaceuticals and other areas that require high level of education.

Originally based on the British system of education, the education sector in India has evolved over the last few decades into a large, fragmented and multi-faceted industry and has become the current hot sector for private equity. There is about USD 40 billion market for private institutions. Over USD 300 million has been invested in Education ventures since 2006, and more than USD 800 million investment is being planned over next 12 month.

• Favorable Government Initiative/ opportunities:

The Government has taken several measures to improve education at elementary level in the country, the major one being the implementation of the Right of Children to Free and Compulsory Education Act (RTE),

Directors' Report | continued

2009. Further it has proposed to increase the education expenditure to 5% of GDP from the current 3%. As an aggressive action the Finance Minister has proposed an allocation of INR 52,057 crore in education sector, which is an increase of 24% over the current year. For the year 2011-12, the existing operational norms of Sarva Shiksha Abhiyan have been revised and have proposed to allocate INR 21,000 crore which is 40% higher than INR 15,000 crore allocated in the Budget for 2010-11. Out of this allocation 6% has been reserved for Maharashtra state.

In the 11th 5 year plan Government has primarily focused on ICT in schools and an amount of ₹ 5000 Crore has been allocated for providing ICT infrastructure in schools. This amount would be used for setting up a networked computer lab in each school. Every school will also have a technology classroom, with audio visual equipment for enhancing the learning. A dedicated programme for content creation as per the curriculum will be undertaken as an integral part of this initiative. This revamped scheme of ICT in schools will be implemented in partnership with the States and Private providers.

- **Market Opportunity:**

As a result of the present scenario and massive government allocation for education segment, K-10 segment is one of the fastest growing segments comprising of approximately USD 40 billion Indian Education Market. Nationally there are only 3-4 bigger players and your Company is one of them. There is no real competition in terms of quality and cost.

Further in the State of Maharashtra there are 5363 English Medium schools and 82,451 Marathi medium schools having SSC Board and your Company is the only player in India to create 100% syllabus based quality digital animation for state board (1st to 10th Segment) of Maharashtra State in English, Marathi and Semi-English Medium. Your Company has great future having target of approximately over 2.2 crore students across 1,06,000 schools in Maharashtra with additional 5,00,000 coaching classes and 40,000 private tutor. Currently your Company is focusing in the state of Maharashtra however; there exists the great potential for your Company to be nationwide provider of educational content under the brand name "e-class".

- **Timely Action:**

Grabbing this huge opportunity your Company has developed "e-class", a 100 % syllabus based quality digital animation content and has tied up with world class animation studios and well experienced and trained animators and professional teachers. This has enable it to develop world class 2D, 3D content for easy learning solutions on "e-class" platform for students in 1st to 10th standard Maharashtra State for English, Marathi and Semi-English Medium.

The Company has commenced its commercial production and sales from February 2011 and with the wide marketing and distribution network and strong advertisement strategy, "e-class" has been advertised on Hoardings, Buses, Radio, and back cover of "Sundaram" notebooks which has wide direct coverage to consumer as there is a sales record of 3 lacs books per day. As a result, the Company had total revenue of ₹ 25,006,535 in the short span and has successfully reached many reputed schools, coaching classes and also has become the preference of individual parent and student. Seeing the present market scenario and the positive response from the satisfied consumers your Directors are optimistic about the growth of the Company in future.

- **Threat and Risk**

On the other hand the Company is exposed to the risk of piracy and misuse of educational content developed, which can result in loss of revenue. However your Company has taken necessary steps to

Directors' Report | continued

protect the content from piracy. Also the Company's Performance largely depends on the Government's policies on education and allocation of budget towards education. Any adverse change in the Government's policies towards education will materially affect the performance of the Company. Further the Company's business involves installation of large number of computer system and other electronic equipments. Such electronic equipments are prone to hardware/ software malfunction, virus attacks, hacking and technological obsolescence. If any such event occurs, we run the risk of disruption of our operations.

3. DIVIDEND:

Due to inadequacy of profit during the period under consideration, your Directors are unable to declare any dividend.

4. TRANSFER TO RESERVES:

During the year under review the Company as not transferred any amount to reserves.

5. MATERIAL CHANGES AND COMMITMENTS:

The Year 2010-11 has been the year of action for the Company. During the year under review the Company launched the educational content under the brand name "e-class" for English, Marathi and Semi-Emglish medium in Maharashtra and started the commercial production from February 2011.

There have been no such changes or commitments affecting the financial position from the end of the financial year 2010-2011 till date of this report as may be deemed to be material enough to affect the financial position of the Company, otherwise than in the normal course of business. The Company has no subsidiary.

6. DIRECTORS:

Mr. Shantilal P. Shah, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends his name for your approval.

Ms. Riddhi A. Shah was appointed by the Board as an Additional Director of the Company under Section 260 of the Companies Act 1956 w.e.f. 1st March 2011 and was appointed as a Director of the Company in compliance with the provisions of Section 257 of the Companies Act 1956 by the members in their meeting held on 30th March 2011.

Mr. Chirag K. Gala and Ms. Riddhi A. Shah have been appointed as the Whole-time Director of the Company for a period of 3 years w.e.f. 1st April 2011 in compliance with the provisions of Section 198, 269 read with schedule XIII of the Act.

None of the Directors of your Company are disqualified as per the provision of Section 274(1)(g) of the Companies Act, 1956.

7. AUDITOR'S REPORT:

The observations made in the Auditor's Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

8. AUDITORS:

M/s Bhuta Shah & Co, Chartered Accountants and Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. However, being eligible, offer themselves for re-appointment as the Statutory Auditors of the Company.

Directors' Report | continued

9. COMPLIANCE CERTIFICATE:

The Compliance Certificate issued by M/s Hemanshu Kapadia & Associates, Practicing Company Secretary, as required under section 383A of the Companies Act, 1956 is attached to this report as *Annexure I*.

10. INSURANCE:

All the assets of the Company, wherever necessary and to the extent required, have been insured.

11. FIXED DEPOSITS:

The Company has not invited/accepted/renewed any fixed deposits as per the provisions of Section 58A of the Companies Act, 1956 from the public during the year.

12. HOLDING COMPANY:

Your Company is Wholly-owned Subsidiary Company of Sundaram Multi Pap Limited, an Indian Listed Company.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed in terms of Section 217 (1) (e) of Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is as follows:

- **Details of Energy Conservation:**

This clause is not applicable to the Company during the financial year under consideration.

- **Technology Absorption:**

This clause is not applicable to the Company during the financial year under consideration.

- **Foreign Exchange Earnings and Outgo:**

	(₹ in Lacs)	
	2010-11	2009-10
Foreign Exchange Earnings:	Nil	Nil
Foreign Exchange Outgo:	4.25	Nil

14. PARTICULARS OF EMPLOYEES:

There were no employees of the Company during the financial year 2010-2011, as are required to be mentioned under Section 217 (2A). Therefore the statement for the same is not attached.

15. DIRECTORS RESPONSIBILITY STATEMENT:

In Compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your Directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there had been no material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments 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 profit or loss of the Company for that period;

Directors' Report | continued

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors have prepared the annual accounts on a going concern basis.

16. ACKNOWLEDGEMENTS:

Your Directors would like to place on record its sincere appreciation for the wholehearted support and contribution made by all employees of the Company as well as its valuable clients, bankers and business associates for extending their full co-operation.

By Order of the Board,
For Sundaram Edusys Private Limited

Amrut P. Shah
Chairman

Mumbai on this 07th Day of August 2011

REGISTERED OFFICE:

903, Dev Plaza, Opp Andheri Fire Station, S.V. Road, Andheri (W), Mumbai 400 058, INDIA.

Compliance Certificate

CIN: U80212MH2009PTC194231

Annexure-I

Nominal Capital: ₹10,00,00,000/-

To,

The Members,

Sundaram Edusys Private Limited

903, Dev Plaza, Opp. Andheri Fire Station, S. V. Road,

Andheri (West), Mumbai 400 058

We have examined the registers, records, books and papers of **Sundaram Edusys Private Limited** (The Company) as required to be maintained under the Companies Act, 1956 (The Act), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid period:

1. The Company has kept and maintained all the registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in the **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and Rules made there under. The Company has paid additional filing fees for documents / returns filed after the prescribed time. The Company has not filed any document with the Regional Director, Central Government, Company Law Board or other authorities during the financial year.
3. The Company being a Private Limited Company has the minimum prescribed paid-up share capital and its maximum number of members during the said financial year were 2 (Two) excluding its present and past employees and the Company during the period under scrutiny:
 - i. has not invited public to subscribe for its shares or debentures; and
 - ii. has not invited or accepted any deposits from persons other than its members, directors or relatives.
4. The Board of Directors duly met Nine (9) times during the period i.e. on 5th April 2010, 21st May 2010, 29th July 2010, 21st October 2010, 1st November 2010, 7th February 2011, 1st March 2011, 8th March 2011 and 21st March 2011, respectively, and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the year under scrutiny.
6. The Annual General Meeting for the first financial year ended 31st March 2010 was held on 1st September 2010 after giving notices to the Members of the Company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra-ordinary General Meeting was held during the year on 30th March 2011 after giving

Compliance Certificate | continued

notices to the Members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the preview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors and Members and the Central Government. However, approval from the Central Government was received for the application made in the previous financial year ended 31st March 2010 under section 314 of the Act.
12. The Company has not issued any duplicate share certificate during the year under scrutiny.
13. (i) There was no allotment/transfer/transmission during the year under scrutiny.
(ii) The Company has not deposited any amount in separate Bank as no dividend was declared during the year under scrutiny.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the period under scrutiny.
(iv) The Company was not required to transfer any amount to Investor Education and Protection Fund since there was no unpaid/unclaimed dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
(v) The Company has complied with the requirement of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were appointments of one Additional Director and a Director during the year under scrutiny, which was duly made. However, there was no appointment of Alternate Directors and Directors to fill Casual Vacancies.
15. The appointment of Whole-time Directors during the year under scrutiny has been made in compliance with the provisions of Section 269 read with Schedule XIII of the Act. However, the Company has not appointed any Managing Director/ Manager during the year under scrutiny.
16. The Company has not appointed any sole-selling agent during the year under scrutiny.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and other authorities under the various provisions of the Act, during the year under scrutiny.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the year under scrutiny.
20. The Company has not bought back any shares during the year under scrutiny.
21. Since the Company has not issued any Preference Shares or Debentures the question of

Compliance Certificate | continued

redemption do not arise.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of Shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the year under scrutiny.
24. The amounts borrowed by the Company from the Holding Company during the year under scrutiny are within the borrowings limits of the Company.
25. The Company has not made any Loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the period under scrutiny, for offences under the Act.
32. The Company has not received any money as security deposit from its employees during the year under scrutiny.
33. The Company has deposited with in time the contribution towards the Provident Fund during the year under scrutiny.

For Hemanshu Kapadia & Associates

Hemanshu Kapadia

Proprietor

C.P. No. 2285

Mumbai on this 28th Day of May 2011

Compliance Certificate | continued

Annexure A

Registers as maintained by the Company

Statutory Registers:

1. Register of Members u/s 150
2. Register of Directors u/s 303
3. Register of Directors Shareholding u/s 307
4. Register of Charges u/s 143
5. Register of Contract u/s 301
6. Register of Share Transfer u/s 108
7. Register of disclosure of interest u/s 301(3).
8. Minutes Books of Board & General Meetings u/s 193.
9. Books of Accounts u/s 209
10. Register of Fixed Assets

Other Registers:

11. Register of Directors' Attendance
12. Register of Shareholders' Attendance

Note: The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded therein:

1. Register of Securities Bought Back u/s 77A
2. Register and Index of Debenture Holders u/s 152
3. Foreign Registers of Members or Debenture Holders u/s 157
4. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960

Compliance Certificate | continued

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies during the period ending 31st March 2011

Sr. No	Form No./ Return	Filed under section	For	Date of filing	Whether filed within Prescribed Time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1	23AC & 23ACA	220 (1)	Annual Accounts for the financial year ended 31st March 2010.	21/09/2010 P52606191	Yes	N. A.
2	20B	159 (1)	Annual Return as on the date of Annual General Meeting i.e. 1st September 2010.	21/09/2010 P52606621	Yes	N. A.
3	66	383A(1)	Compliance Certificate for the financial year ended on 31st March 2010.	15/09/2010 P52334422	Yes	N. A.
4	66	383A(1)	Compliance Certificate for the financial year ended on 31st March 2010.	20/09/2010 P52572245 (Revised)	Yes	N. A.
5	Form 32	303 (2)	For appointment of Director w.e.f. 01/09/2010	23/09/2010 A94609609	Yes	N. A.
6	Form 23	293(1)(d)	Registering special resolution	20/09/2010 A94364767	Yes	N. A.
7	Form 2	75 (1)	Return of Allotment	21/05/2010 A85575900	No	Yes

Auditor's Report

To,

The Members,

Sundaram Edusys Private Limited

1. We have audited the attached Balance Sheet of SUNDARAM EDUSYS PRIVATE LIMITED (the Company) as at 31st March 2011, Profit and Loss Account and also the Cash Flow Statement for the year ended on that 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.
2. 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order 2004 (hereinafter referred to as "the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) 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;
 - b) In our opinion, proper books of account, as required by the law have been kept by the Company in so far as it appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report is in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956.
 - e) Based on the written representations received from the directors of the Company as on 31st March, 2011 and taken on record by the Board of Directors, we report that, none of the directors are prima-facie, disqualified as on 31st March, 2011 from being appointed as directors of the Company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes on accounts, 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:
 - i) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011,

Auditor's Report | continued

- ii) in the case of Profit and Loss Account, of the Loss for the year ended on that date, and
- ii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Bhuta Shah & Co.
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]
M. No. 110822

Mumbai on this 28th Day of May 2011

Annexure To The Auditor's Report

ANNEXURE referred to in paragraph (3) of our report of even date on the Accounts for the year ended 31st March 2011 of Sundaram Edusys Private Limited.

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
 - (b) In our opinion and according to the explanations given to us, these assets have been physically verified by the management during the year in a phased manner, which is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets has been disposed off during the year which will affect the going concern principle.
- (ii) (a) As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories and no material discrepancies have been noticed on physical verification conducted by the management. The discrepancies noticed on verification between physical inventories and book records have been properly dealt with in the books of account.
- (iii) (a) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under 301 of the Companies Act. Accordingly, paragraph 4(iii) clause no. b, c and d of the Order are not applicable.
 - (e) The company has taken unsecured loan from a holding company. The maximum amount involved during the year is Rs. 1371.94 Lacs. And the year-end balance of loan taken from such party is Rs. 1371.94 Lacs.
 - (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from company are not, prima facie, prejudicial to the interest of the company.
 - (g) There is no stipulation for repayment of the above loans. Therefore, the question of repayment being regular does not arise.
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods. During the course of our audit, no major weakness has been observed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contract or arrangements entered in the contracts maintained under

Annexure To The Auditor's Report | continued

section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.

- (vi) According to the information given to us, the Company has not accepted any deposit from public as defined under section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, during the year under review and as such reporting under this clause is not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
- (ix) (a) According to the information and explanation given to us and according to the books and records produced and examined by us, the Company has been regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise duty / cess and any other statutory dues, to the extent wherever applicable, with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2011 for a period of more than six months from the date they become payable.
(b) As explained to us and according to the records of the Company, there were no disputes pending in respect of Income tax, Wealth Tax, Service Tax, Excise Duty / Cess, Customs duty and other statutory dues applicable to the Company as on 31-3-2011.
- (x) The Company has accumulated losses at the end of the year amounting to Rs.19,037,200/- and has incurred cash losses of Rs. 24,996,175/- during the current financial year. The Company neither has accumulated losses nor has incurred cash losses in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) According to the information and explanation given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, considering the nature of the business carried on during the year, the Company is not a chit fund or nidhi / mutual benefit fund / society. In view of the above, the said clause (xiii) is not applicable to the company.
- (xiv) According to information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loan during the year and hence the question of its utilization does not arise.
- (xvii) According to the information and explanation given to us and on the overall examination of the balance sheet of the company, we report that no term loans are raised by the company.
- (xviii) Company has not made any preferential allotment of shares during the year to companies, firms, parties covered in the register maintained u/s. 301 of the Companies Act, 1956.

Annexure To The Auditor's Report | continued

- (xix) The Company has not issued any debenture during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Bhuta Shah & Co.
Chartered Accountants
(Registration No. 101474W)

CA. Mitesh Kothari
[Partner]
M. No. 110822

Mumbai on this 28th Day of May 2011

Balance Sheet

SUNDARAM EDUSYS PRIVATE LIMITED BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	49,000,000	49,000,000
Reserves & Surplus		-	-
		49,000,000	49,000,000
LOAN FUNDS	B		
Secured		-	-
Unsecured		137,194,246	5,242,712
		137,194,246	5,242,712
TOTAL		186,194,246	54,242,712
APPLICATION OF FUNDS			
FIXED ASSETS	C		
Gross Block		89,329,955	-
Less: Depreciation		2,344,660	-
NET BLOCK		86,985,295	-
Capital Work-in-progress		21,208,722	67,656,889
		108,194,017	67,656,889
DEFERRED TAX ASSETS		9,135,835	-
INVESTMENT		-	-
CURRENT ASSETS, LOANS & ADVANCES	D		
Inventories		28,668,556	153,550
Sundry Debtors		16,002,271	-
Cash & Bank Balances		3,492,600	48,252
Loans & Advances		9,695,667	4,187,288
		57,859,094	4,389,090
Less: CURRENT LIABILITIES & PROVISIONS	E		
Current Liabilities		8,031,900	18,635,467
Provisions		-	-
		8,031,900	18,635,467
NET CURRENT ASSETS		49,827,194	(14,246,377)
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		-	832,200
Profit & Loss Account (Debit Balance)		19,037,200	-
TOTAL		186,194,246	54,242,712
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	K		

As per our report of even date attached
For Bhuta Shah & Co.
Chartered Accountants
(Registration No. 101474W)

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 28th Day of May 2011

For and on behalf of the Board

Amrut P. Shah
Chairman

Chirag K. Gala
Whole-time Director

Riddhi A. Shah
Whole-time Director

Profit & Loss Account

SUNDARAM EDUSYS PRIVATE LIMITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	Schedule	Year Ended 31st March, 2011 ₹	Year Ended 31st March, 2010 ₹
INCOME			
SALES			
Local		24,268,035	-
Trading		7 38,500	-
TOTAL		25,006,535	-
EXPENDITURE			
Materials Cost	F	3 ,923,206	-
(Increase)/Decrease in Stock		-	-
Job Work Expenses		1,378,787	-
Selling & Distribution Expenses	G	1 9,566,948	-
Payment to Employees	H	7 ,563,846	-
Administrative Expense	I	14,454,969	-
Preliminary Expenses W/Off		8 32,200	-
Total Expenditure		47,719,956	-
Profit Before Interest, Depreciation & Tax (PBDIT)		(22,713,421)	-
Interest & Financial Cost	J	3,114,954	-
Profit Before Dep & Tax (PBDT)		(25,828,375)	-
Depreciation	C	2,344,660	-
		2,344,660	-
Profit Before Tax		(28,173,035)	-
Less Provision For Tax			
Current Tax		-	-
Deferred Tax		(9,135,835)	-
Short Provision of Earlier years		-	-
Profit/(Loss) after Tax		(19,037,200)	-
Add: Balance Brought Forwarded from earlier years		-	-
Profit /(Loss) available for Appropriations		(19,037,200)	-
Appropriations		-	-
Balance carried to Balance Sheet		(19,037,200)	-
Basic & Diluted EPS (in ₹)		(0.39)	-
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	K		

As per our report of even date attached
For Bhuta Shah & Co.
Chartered Accountants
(Registration No. 101474W)

CA Mitesh Kothari
Partner
Membership No. 110822
Mumbai on this 28th Day of May 2011

For and on behalf of the Board

Amruti P. Shah
Chairman

Chirag K. Gala
Whole-time Director

Riddhi A. Shah
Whole-time Director

Cash Flow

SUNDARAM EDUSYS PRIVATE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	April 1, 2010-March 31, 2011		April 1, 2009-March 31, 2010	
	₹		₹	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before Tax and Extraordinary items		(28,173,034)		-
Adjustment for :				
Depreciation	2,344,660		-	
Interest Income	-		-	
Preliminary Expenses W/off	832,200		-	
Interest Paid	3,114,954		-	
Profit/ (Loss) on Sale of Fixed Assets	-		-	
		6,291,814		-
		(21,881,220)		-
Operating profit before working capital changes				
Adjustment for :				
Sundry Debtors	(16,002,271)		-	
Inventories	(28,515,006)		-	
Other loans & Advances	(5,508,379)		(4,187,288)	
Current Liabilities & Provisions	(6,916,307)		14,948,207	
		(56,941,964)		10,760,919
Cash generated from operations		(78,823,184)		10,760,919
Taxes paid (net of refund)		-		-
NET CASH FLOW OPERATING ACTIVITIES		(78,823,184)		10,760,919
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(89,329,955)		-	
Sale of Fixed Assets	-		-	
Investment in Capital Work In Progress	46,448,167		(27,577,073)	
Pre- Operative expenses Awaiting capitalisation	-		(40,233,366)	
			(832,200)	
NET CASH FLOW FROM INVESTING ACTIVITIES		(42,881,788)		(68,642,639)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Loan From Holding Company	131,951,534		5,242,712	
Proceeds from Share Capital			49,000,000	
Interest Paid	(3,114,954)		-	
NET CASH FLOW FROM FINANCING ACTIVITIES		128,836,579		54,242,712
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		7,131,608		(3,639,008)
Cash and Cash equivalents at beginning of the year	(3,639,008)		-	
Cash and Cash equivalents at end of the year	3,492,600		(3,639,008)	
Net Increase/ (Decrease)		7,131,608		(3,639,008)

Cash Flow | continued

Note:

- 1 The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- 2 Cash and cash equivalents consists of Cash on hand and Balance with banks.
- 3 Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

CA Mitesh Kothari
Partner
Membership No. 110822
Mumbai on this 28th Day of May 2011

For and on behalf of the Board

Amrut P. Shah
Chairman

Chirag K. Gala
Whole-time Director

Riddhi A. Shah
Whole-time Director

Schedules

SUNDARAM EDUSYS PRIVATE LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE A: SHARE CAPITAL		
AUTHORISED		
10,000,000 Equity Shares of ₹ 10/- each	100,000,000	1 00,000,000
ISSUED, SUBSCRIBED & PAID UP		
49,00,000 Equity Shares of ₹ 10/- fully paid up (Fully held by the Holding Company M/s Sundaram Multi Pap Limited)	49,000,000	49,000,000
	49,000,000	49,000,000
SCHEDULE B: UNSECURED LOANS		
Loan From Holding Company	137,194,246	5,242,712
	137,194,246	5,242,712
SCHEDULE D: CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(a) Inventories (As taken, valued & certified by the management)		
Raw Materials	25,164,003	153,550
Trading Goods	3,504,553	-
	28,668,556	153,550
(b) Sundry Debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	-
Other debts	16,002,271	-
	16,002,271	-
(c) Cash & Bank Balances		
(i) Cash on Hand	1,545,481	5,675
(ii) With Scheduled Banks		
-In Current Accounts	1,947,119	42,577
	3,492,600	48,252
(d) LOANS & ADVANCES (Unsecured, considered good)		
Deposits	2,453,200	2,070,000
Prepaid Expenses	944,241	-
Advances recoverable in cash or in kind and/or for value to be received	1,688,473	2,117,288
Advances to Creditors	4,609,753	-
	9,695,667	4,187,288

SUNDARAM EDUSYS PVT. LTD.
SCHEDULES TO BALANCE SHEET

SCHEDULE C - FIXED ASSETS

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.10	Additions During the Year	Deductions During the Year	As at 31.03.11	As at 01.04.10	For the Year	Deductions During the Year	As at 31.03.11	As at 31.03.10
(A) Tangible Assets									
Computers	-	3,658,262	-	3,658,262	-	98,834	-	98,834	3,559,428
Furniture & Fixtures	-	7,799,970	-	7,799,970	-	82,290	-	82,290	7,717,680
(B) Intangible Assets									
Knowledge	-	-	-	-	-	-	-	-	-
Based Content	-	77,871,723	-	77,871,723	-	2,163,536	-	2,163,536	75,708,187
TOTAL	-	89,329,955	-	89,329,955	-	2,344,660	-	2,344,660	86,985,296
Previous Year	-	-	-	-	-	-	-	-	-

Schedules | continued

SUNDARAM EDUSYS PRIVATE LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE E: CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	6,052,945	14,502,683
Advance from Customers	1,314,595	-
Outstanding Statutory Liabilities	664,360	445,524
Book Overdraft with Bank	-	3,687,260
	8,031,900	18,635,467

Schedules | continued

SUNDARAM EDUSYS PRIVATE LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE F: MATERIALS CONSUMED		
(A) Raw Material Consumed		
Opening Stock	153,550	-
Add: Purchases	28,658,040	-
Transport Inward	6,174	-
	28,817,764	-
Less: Closing Stock	25,164,003	-
TOTAL MATERIAL CONSUMED	3,653,761	-
(B) Cost Of Trading Goods	269,445	-
MATERIALS CONSUMED	3,923,206	-
SCHEDULE G: SELLING & DISTRIBUTION EXPENSES		
Advertisement & Sales Promotion	19,555,722	-
Other Selling Expenses	11,226	-
	19,566,948	-
SCHEDULE H: PAYMENT TO EMPLOYEES		
Salaries & Wages	6,605,708	-
Contribution to PF, Gratuity & Other Funds	42,246	-
Directors' Remuneration	600,000	-
Staff Welfare	315,892	-
	7,563,846	-
SCHEDULE I: ADMINISTRATIVE CHARGES		
Electricity Expenses	211,609	-
Legal, Professional & Consultancy Charges	6,520,601	-
Remuneration to Statutory Auditors	50,000	-
Rent, Rates & Taxes	3,266,226	-
Repairs & Maintenance	852,261	-
Miscellaneous Expenses	1,607,855	-
Travelling Expenses	1,946,417	-
	14,454,969	-
SCHEDULE J: INTEREST & FINANCIAL CHARGES		
Interest On Loan from Holding Company	14,438,187	-
Less: Interest Capitalised	11,323,233	-
INTEREST & FINANCIAL CHARGES	3,114,954	-

Schedules | continued

Sundaram Edusys Private Limited

Schedules Forming Part of the Financial Statements for the Year Ended March 31, 2011

SCHEDULE 'K': NOTES TO ACCOUNT:

1. SIGNIFICANT ACCOUNTING POLICIES :

i. Accounting Conventions:

The financial statements are prepared on accrual basis under historical cost convention and as a going concern and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956. Accounting policies not disclosed separately otherwise are in consonance with generally accepted accounting principles.

ii. Use of Estimates:

Preparation of financial statements in conformity of generally accepted accounting practices requires that the Management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii. Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

iv. Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or estimates made by the management. Depreciation on addition/deletion of assets during the year is provided on pro-rata basis. Knowledge Based Content is amortised over a period of seven years on straight line basis as decided by the management.

v. Investment:

Long term investments are stated at cost. Provision for diminution in the value is made only if such decline is other than temporary.

Current investments are valued at lower of the cost or market value, determined on individual investment basis.

vi. Valuation of Inventories:

Raw materials, stores and packing materials are valued at lower of cost or net realizable value. Cost is assigned on FIFO basis. Semi - finished goods are valued at raw material cost plus proportionate manufacturing overheads. Finished goods and trading goods are valued at lower of the cost or net realizable value. Unrealized profit, if any, in inter unit transaction is eliminated to the extent possible.

Schedules | continued

vii. Revenue Recognition:

Income is recognized on transfer of property in goods, as per the agreed terms. The Company recognizes revenue on sale of products upon dispatch to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer. Sales are shown net of returns, discounts, excise duty and sales tax.

viii. Retirement Benefits:

Contribution to Provident Fund and ESIC are recognized as expense as and when accrued. Leave Encashment is accounted as and when accrued and claimed.

ix. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of these transactions are recognized in the profit and loss account.

Monetary items (other than those related to acquisition of fixed assets) denominated in foreign currency are revalued using the exchange rate prevailing at date of the balance sheet and resulting exchange difference is recognized in the profit and loss account. Non monetary foreign currency items are carried at cost.

x. Borrowing Cost:

Borrowing Costs that are attributable to acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit & loss Account.

xi. Provision for Taxes:

Provision for current tax is determined in accordance with the Income Tax laws prevailing for the relevant assessment years.

Deferred tax arising due to timing difference between the book profit and tax profit for the year is accounted for, using the tax rate and laws that are substantively enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognized to the extent there is reasonable certainty that this would be realised in future.

xii. Impairment of Fixed Assets:

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

xiii. Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

Schedules | continued

xiv. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. NOTES TO ACCOUNTS:

i. The company has started commercial operations from 1st February, 2011. Hence, excess of expenses, other than selling and distribution expenses, incurred up to 31st January, 2011, over the sales made during such trial period are capitalised on pro-rata basis to the allocable assets.

ii. Contingent Liability: Nil

iii. In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

iv. Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation / adjustments.

v. Since, Gratuity Act, 1972 is not applicable to the Company, no provision is made towards Gratuity Liability.

vi. Managerial Remuneration:

Remuneration to director for the year is ₹ 6,00,000/- (Previous Year Rs. Nil).

vii. Auditors Remuneration:

(Amount in ₹)

Particulars	Current Year
Audit fees	40,000
Others	10,000
Total	50,000

viii. Disclosure under MSMED Act, 2006:

The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

ix. Segment Reporting:

The Company operates in single business segment of development and sale of software for educational content. Hence further disclosure required as per Accounting Standard AS-17 "Segment Reporting" is not given.

Schedules | continued

x. Related Party Disclosures:

a) List of related parties:

Relationship	Name	Nature
Holding Company	Sundaram Multi Pap Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Director
	Mr. Chirag K. Gala	Whole-time Director
	Ms. Riddhi A. Shah	Whole-time Director
	Mr. Shantilal P. Shah	Director
	Mr. Hasmukh A. Gada	Director

b) Transactions with Related Parties

Particulars	Amount in ₹	
	Holding Company	KMP
Issue of Equity Shares to Sundaram Multi Pap Limited	- (49,000,000)	-
Loan Received from Sundaram Multi Pap Limited	137,194,245 (5,242,712)	- -
Remuneration	-	600,000
Mr. Chirag K. Gala	(-)	(-)

c) Outstanding Balances of Related Parties:

Particulars	Amount in ₹	
	Holding Company	KMP
Payables	137,194,245 (5,242,712)	44,380 (-)

xi. Computation of Basic and Diluted Earnings per share:

Particulars	Amount in ₹	
	Current Year	Previous Year
Net Profit After Tax available to equity shareholders (in ₹)	(19,037,200)	-
Number of Equity Shares (in no's)	49,000,000	49,000,000
Basic and diluted earnings per share (Face Value-₹ 10/-) (in ₹)	(0.39)	-

xii. i. Deferred Tax:

In compliance with Accounting Standard (AS-22) relating to "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company has recognized, the net deferred tax asset as under:

Schedules | continued

Particulars	(Amount in ₹)	
	Current Year	Previous Year
Asset related to losses and preliminary expenses	12,015,907	--
Less: Liability related to fixed assets	(2,880,072)	--
Net deferred tax asset as at year end and credited to Profit & Loss Account	9,135,835	--

xiii. Additional information pursuant to paragraphs 3,4C and 4D of part II of Schedule VI of the Companies Act, 1956.

- a) Licensed Capacity : Not Available
 b) Installed Capacity : Not Available
 c) Details of Sales & Closing stock of Finished Goods:

Class of Goods	Sales				Closing Stock			
	Current Year		Previous Year		Current Year		Previous Year	
	Qty	₹(in Lacs)	Qty	₹(in Lacs)	Qty	₹(in Lacs)	Qty	₹(in Lacs)
E-class	NA	242.68	NA	NA	NA	Nil	NA	NA
Educational Aids	NA	7.39	NA	NA	NA	Nil	NA	NA
Total		250.07		NA		Nil		NA

- d) Value of Raw Material Consumed:

Particulars	Current Year		Previous Year	
	Amount (₹ In Lacs)	%	Amount (₹ In Lacs)	%
Hardware				
(i) Imported	-		NA	NA
(ii) Indigenous	36.53	93.14	NA	NA
Educational Aids				
(i) Imported	-	-	NA	NA
(ii) Indigenous	2.69	6.86	NA	NA
Total	39.23	100	NA	NA

xiv. Expenditure and Earnings in Foreign Currency:

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
F.O.B value of Exports	Nil	Nil
C.I.F Value of Imports:		
Raw Materials	Nil	Nil
Expenditure:		
Traveling Expenses	4.25	-

Schedules | continued

- xv. Previous year figures have been re-grouped/re-classified wherever considered necessary to compare with current year figures.

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)
CA **Mitesh Kothari**
Partner
Membership No. 110822
Mumbai on this 28th Day of May 2011

For and on behalf of the Board

Amrut P. Shah
Chairman

Chirag K. Gala
Whole-time Director

Riddhi A. Shah
Whole-time Director

Balance Sheet Abstract

STATEMENT PURSUANT TO PART III OF SCHEDULE VI OF THE COMPANY ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1 Registration

Registration No.

Balance Sheet Date

2. Capital Raised During The Year : (Amount ₹ In. Lacs)

Public Issue Right Issue

Bonus Issue Private Placement

3. Position Raised Mobilisation And Deployment Of Fund (Amount ₹ In. Lacs)

Total Liabilities Total Assets

Sources Of Fund

Paid up capital Reserved & surplus

Secured loans Unsecured loans

Other Liabilities (Deferred Tax)

Application Of Funds

Net Fixed Assets Investments

Net Current Assets Miscellaneous Exp

Accumulated losses

4. Performance Of Company (Amount ₹ In. Lacs)

Turnover Total Expenditure

Profit/loss Before Tax Profit/Loss after Tax

Earning/ Share in ₹ Dividend Rate %

5. Generic Names Of Three Principal Products/ Services Of The Company (As per monetary terms)

Item code no (ITC CODE) Product Description

for and on behalf of the Board

Amrut P. Shah
Chairman

Chirag K. Gala
Whole-time Director

Riddhi A. Shah
Whole-time Director

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SUNDARAM EDUSYS PRIVATE LIMITED

Registered Office: 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai- 400 058

ATTENDANCE SLIP

You are requested to sign and hand over this slip at the entrance of the Meeting Venue

I hereby record my presence at the 2nd Annual General Meeting of the Company to be held on Thursday, 29th September 2011 at 11.00 a.m. at the Registered office of the Company at 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai- 400 058.

NAME AND ADDRESS OF THE SHARE HOLDER _____

Folio No. _____

NAME OF THE PROXY (IN CAPITAL LETTERS) _____

No. of Shares held _____

I here record my presence at the meeting

Signature of Member / Proxy

SUNDARAM EDUSYS PRIVATE LIMITED

Registered Office: 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai- 400 058

PROXY FORM

I/We _____ of _____
in the district of _____ being a member(s) of the above named Company,
hereby appoint _____ of _____ in the district of _____ or
failing him/her _____ of _____ in the district of _____ as my/our proxy to attend and
vote for me/us on my/our behalf at the 2nd Annual General Meeting of the Company to be held on
Thursday, 29th September 2011 at 11.00 a.m. at Registered Office of the Company at 903, Dev Plaza,
Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai- 400 058, and any adjournment thereof.

Singed this _____ day of _____ 2011.

Reg. Folio No. _____

No. of Shares _____

Affix
₹ 1
Revenue
stamp

Signature across the stamp

(This form is to be used * in favour/against the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.)

* Strike out whichever is not desired.

NOTE : 1. The Proxy Form must be deposited at the Registered Office of the Company situated at 903, Dev Plaza, Opp. Andheri Fire Station, S.V. Road, Andheri (West), Mumbai- 400 058, not less than 48 hours before the time for holding of the aforesaid Meeting(s). 2. The Proxy need not be a member of the Company.

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