

BOARD OF DIRECTORS

Mr. Amrut P. Shah	Chairman
Mr. Chirag K. Gala	Additional Director (w.e.f. 15-10-2009) CEO (w.e.f. 01-11-2009)
Mr. Shantilal P. Shah	Director
Mr. Hasmukh A. Gada	Director

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

BANKER : Union Bank of India, Andheri (East)

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

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NOTICE

To,
The Members,

SUNDARAM EDUSYS PRIVATE LIMITED

NOTICE is hereby given that the FIRST Annual General Meeting of the Members of SUNDARAM EDUSYS PRIVATE LIMITED will be held on Wednesday, 1st September, 2010 at 11.00 a.m. at the registered office of the Company at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, 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 2010, 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. Hasmukh A.Gada, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint 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 be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to 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."

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass with or without modification, if any, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Chirag K. Gala, who was appointed by the Board of Directors as an Additional Director of the Company and who hold office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Chirag K. Gala for the office of Director, be and is hereby appointed as a Director of the Company."

5. To consider and, if thought fit to pass with or without modification, if any, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof), the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more persons, firms, bodies corporate or financial institutions, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures or other securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable or stock-in-trade and work-in-progress and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed together with

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moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 500,00,00,000/- Crores (Rupees Five Hundred Crores only) and the Board of Directors (including any committee/s thereof) are hereby authorized to execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings containing such conditions and covenants as the Directors may deem fit."

6. To consider and, if thought fit to pass with or without modification, if any, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 (Including any statutory modifications or re-enactments thereof), the Company hereby accords its consent to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company to or in favour of the lender(s), agent(s), trustee(s) or any other person whomsoever participating in extending financial assistance for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, not exceeding the sum of ₹ 500,00,00,000/- (Rupees Five Hundred Crores only), together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the lender(s)/investor(s)/agent(s) and/or trustee(s), in respect of the said loans/borrowings/debentures etc.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to finalize and execute any and all agreements and documents, necessary for creating mortgages and/or charges and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any questions or doubts relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

By Order of the Board of Directors

Amrut P. Shah
Chairman

Mumbai on this 29th Day of July 2010

REGISTERED OFFICE:

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

NOTICE

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 MEETING.
2. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses set out in item nos. 4, 5 & 6 above, is annexed hereto.
3. Members/ Proxies are requested to bring the Attendance Slip duly filled up for attending the Meeting.
4. 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.
5. All the documents referred to in the Notice are open for inspection at the Corporate Office of the Company between 11.00 a.m. to 12.30p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

Item No 4

Mr. Chirag K. Gala was appointed as an Additional Director of the Company on 15th October, 2009 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956 he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Mr. Chirag K. Gala as a Director along with a Deposit of the requisite amount.

Mr. Chirag K. Gala is a Commerce Graduate with an experience of costing and marketing. His knowledge and experience will immensely help the Company to achieve a high growth rate in the production and sales.

As on date he is not holding any directorship in any other Company. The Board recommends his appointment as Director

None of the Directors except Mr. Amrut P. Shah is concerned or interested in this resolution.

Item No. 5

Pursuant to the provisions of clause (d) of Sub-section (1) of Section 293 of the Companies Act, 1956 the board of Directors cannot, except with the consent of the Company in General Meeting, borrow monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) from any person(s) or bodies corporate, in excess of the aggregate of paid up share capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose. It is likely that the Company may be required to borrow monies in excess of the aforesaid limit to meet its short term and long term requirements. In view of the increased requirements of funds for the expansion plans of the Company, approval of the Members is sought for borrowing limit up to ₹500,00,00,000/- Crores (Rupees Five Hundred Crores only).

The Directors recommend the ordinary resolution at Item no. 5 of the Notice for approval by the Members.

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

NOTICE

Item No. 6:

To meet the short term and long term financial requirements of the Company, the company may approach some banks, financial institutions, corporate bodies etc. for availing financial assistance. The said financial assistance may be availed of by the Company against security, or creation of charge by way of registered mortgage / equitable mortgage any other charge on the Company's fixed and/ or current assets either present or future that may be acquired either out of loan from the financial institution(s) or otherwise. The creation of such mortgage on the fixed and/ or current assets of the Company, which form the undertaking of the Company, attract the provision of the clause (a) of Sub-Section (1) of Section 293 of the Companies Act, 1956 where the Board is restricted to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company without obtaining the consent of the Members of the Company in a General Meeting.

In view of the increased requirement of funds for the expansion plans of the Company, approval of the Members is sought for borrowing limit up to ₹500,00,00,000/- Crores (Rupees Five Hundred Crores only).

The Directors recommend the ordinary resolution at Item no. 6 of the Notice for approval by the Members.

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

By Order of the Board of Directors

Amrut P. Shah
Chairman

Mumbai on this 29th Day of July 2010

REGISTERED OFFICE:

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

DIRECTORS' REPORT

To

The Members,

Sundaram Edusys Private Limited

The Board of Directors has pleasure in submitting First Annual Report of the Company with Audited Balance Sheet and Statements of Accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS & OPERATIONS:

The Company was incorporated on 20th July 2009. During the period under report, the Company was in pre-operative stage and hence did not commence any business activity.

DIVIDEND:

Since there were no operations in the Company during the period under consideration, your Directors are unable to declare any dividend.

INCREASE IN AUTHORISED CAPITAL:

During the period under report, the authorized share capital of the Company has increased from ₹1.00 Lac to ₹1000.00 Lacs to accommodate financing of the development cost of the educational content. Further, the paid up capital of the Company has increased from ₹1.00 Lac to ₹490.00 Lacs by allotment of 48.90 Lac equity shares of ₹10/- each to Sundaram Multi Pap Ltd., to meet the capital cost for the commencement and expansion of the business operations of the Company.

MATERIAL CHANGES AND COMMITMENTS:

The Company has successfully come out with the innovative educational content for 8th, 9th & 10th standards of Maharashtra S.S.C Board, for all subjects except languages, in Marathi and English. This educational content is developed under the brand name "e-Class" and has been successfully marketed to coaching classes and individual students.

There have been no such changes or commitments affecting the financial position of the company from the end of the financial year 2009-2010, 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.

DIRECTORS:

Mr. Hasmukh A. Gada, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends his name for the same.

Mr. Chirag K. Gala was appointed by the Board as an Additional Director of the Company under Section 260 of the Companies Act, 1956, he holds office as Directors Only up to the date of the ensuing Annual General Meeting. As required by the provisions of Section 257 of the Companies Act, 1956, notice has been received from a member proposing his appointment as Director along with deposits of ₹500/- (Rupees Five Hundred Only). The Board considers it desirable that the Company should continue to avail the services of Mr. Chirag K. Gala.

Further, the Company has received the approval from Central Government, under Section 314 (1B) of the Companies Act, 1956, for the Appointment of Mr. Chirag K. Gala, as Chief Executive Officer (CEO) of the Company for the period of five years w.e.f. 1st November 2009.

DIRECTORS' REPORT

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.

AUDITORS:

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

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.

INSURANCE:

The tangible assets were not created during the period under review, hence, no insurance cover was taken.

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.

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:**

	2009-2010
	₹
Foreign Exchange Earnings:	Nil
Foreign Exchange Outgo:	Nil

PARTICULARS OF EMPLOYEES:

There were no employees of the Company during the financial year 2009-2010, as are required to be mentioned under Section 217 [2A]. Therefore the statement for the same is not attached.

DIRECTORS' REPORT

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:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed except as mentioned in notes to the accounts and no material departures have been made from the same.

(ii) 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;

(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.

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 cooperation.

By Order of the Board of Directors

Amrut P. Shah

Chairman

Mumbai on this 29th Day of July 2010

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** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the first financial year ended **31st March 2010**. 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 duly filed the forms and returns as stated in the Annexure 'B' to this Certificate, with the Registrar of Companies and Central Government within the time prescribed under the Act and Rules made there under.
3. The Company being 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 year 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 year i.e. on 20th July 2009, 27th July 2009, 30th July 2009, 9th October 2009, 15th October 2009, 29th December 2009, 4th January 2010, 25th February 2010 and 31st March 2010 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 financial year.
6. This is being a first financial year of the Company so it was not required to hold the Annual General Meeting for the financial year ended 31st March 2009.
7. Two Extra-ordinary General Meetings were held during the financial year on 13th November 2009 and 28th January 2010 after giving due notices to the Members of the Company and the resolutions

COMPLIANCE CERTIFICATE

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. The Company has obtained necessary approvals from the Board of Directors and Members however; approval of the Central Government is awaited, pursuant to Section 314 of the Act.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - (i) delivered all the Certificates on allotment of securities in accordance with the provisions of the Act. However, there was no transfer/transmission during the financial year under scrutiny
 - (ii) The Company has not deposited any amount in separate Bank as no dividend was declared during the financial year
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (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) Being the first financial year no Directors' Report for the previous financial year was available for the comment under section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of one Additional Director during the period, which was duly made. However, there was no appointment of Alternate Directors and Directors to fill Casual Vacancies.
15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the period under scrutiny.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company has made necessary application to the Central Government for its approval under section 314 (1B) of the Act. However, the Company was not required to obtain approvals of the Company Law Board, Regional Director and other authorities under the various provisions of the Act.
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 thereunder.
19. The Company has issued 48,90,000 equity shares of ₹ 10/- each during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. Since the Company has not issued any Preference Shares or Debentures the question of redemption do not arise.

COMPLIANCE CERTIFICATE

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 period under scrutiny.
24. The amounts borrowed by the Company from the Holding Company during the period 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 altered its Memorandum of Association with respect to Share Capital of the Company during the year under scrutiny and complied with provisions of the Act
30. The Company has altered its Articles of Association after obtaining approval of members in the Extra-Ordinary General Meeting held on 28th January 2010 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies.
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 financial year, for offences under the Act.
32. The Company has not received any money as security deposit from its employees during the year.
33. The Company has not deducted any contribution towards the Provident Fund during the financial year since the company is not covered under the employees Provident Fund Act.

For **Hemanshu Kapadia & Associates**

Hemanshu Kapadia

Proprietor

C.P.No. 2285

Mumbai on this 21st Day of May 2010

COMPLIANCE CERTIFICATE

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

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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

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies during the period ending **31st March 2010**

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	Form 22B	187C	Declaration of Beneficial Interest in the shares received on 01/08/2009	01/08/2009 SRN A66402108	Yes	N. A.
2	Form 32	303 (2)	For appointment of Additional Director w.e.f. 15/10/2009	13/11/2009 SRN A72690142	Yes	N. A.
3	Form 23	192	For registration of resolution and agreements	04/12/2009 SRN A73975047	Yes	N. A.
4	Form 24B	314(1B)	Application to the Central Government for obtaining prior consent for holding of any office or place of profit in the company by certain persons	05/12/2009 SRN 74019019	Yes	N. A.
5	Form 23	192	For registration of resolution and agreements	29/01/2010 SRN A77437606	Yes	N. A.
6	Form 5	97	Increase in Authorised Share Capital by the Company	29/01/2010 SRN A77441095	Yes	N. A.

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 2010 and Cash Flow Statement for the period ended on that date annexed thereto. Since the company has not started commercial operations, Profit and Loss Account is not prepared. 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 and Cash Flow Statement dealt with by this report is in agreement with the books of account;
 - d) In our opinion, the Balance Sheet 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, 2010 and taken on record by the Board of Directors, we report that, none of the directors are prima-facie, disqualified as on 31st March, 2010 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, 2010,
 - (ii) in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

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

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

Mumbai on this 21st Day of May 2010

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 2010 of SUNDARAM EDUSYS PRIVATE LIMITED.

- (i) (a) The Company does not hold any fixed asset. Hence clause no. a, b and c are not applicable.
- (ii) The Company does not hold any inventory. Hence clause no. a, b and c are not applicable.
- (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 loans from a holding company. The maximum amount involved during the year is ₹ 542.42 Lacs. And the year-end balance of loans taken from such party is ₹ 52.42 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 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,

ANNEXURE TO THE AUDITOR'S REPORT

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 31-03-2010 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 31-3-2010.

- (x) The Company neither has accumulated losses at the end of the year nor has incurred cash losses during the current and 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 period 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.
- (xix) The Company has not issued any debentures 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 per our report of even date
For **Bhuta Shah & Co.**
Chartered Accountants
(Registration No. 101474W)

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



Mumbai on this 21st Day of May 2010

1st Annual Report 2010

BALANCE SHEET

SUNDARAM EDUSYS PRIVATE LIMITED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31.03.2010 ₹
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	A	49,000,000
Reserves & Surplus	B	-
		49,000,000
LOAN FUNDS		
Unsecured		5,242,712
		5,242,712
TOTAL		54,242,712
APPLICATION OF FUNDS		
FIXED ASSETS	C	
Gross Block		-
Less: Depreciation		-
NET BLOCK		-
Capital Work-in-Progress		27,577,073
		27,577,073
INVESTMENTS		-
CURRENT ASSETS, LOANS & ADVANCES	D	
Cash & Bank Balances		48,252
Loans & Advances		4,187,288
		4,235,540
Less: CURRENT LIABILITIES & PROVISIONS	E	
Current Liabilities		18,635,467
Provisions		-
		18,635,467
NET CURRENT ASSETS		(14,399,927)
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenses		832,200
Pre-Operative Expenses		40,233,366
		41,065,566
TOTAL		54,242,712
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	F	

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

CASH FLOW

SUNDARAM EDUSYS PRIVATE LIMITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

Particular	Amount in ₹	
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Tax and Extraordinary items		-
Operating profit before working capital changes		
Adjustment for :		
Other loans & Advances	(4,187,288)	
Current Liabilities & Provisions	14,948,207	
		10,760,919
Cash generated from operations		10,760,919
NET CASH FLOW OPERATING ACTIVITIES		10,760,919
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Capital Work - in Progress	(27,577,073)	
Preliminary Expenses Paid	(832,200)	
Pre-operative Expenses Paid	(40,233,366)	
NET CASH FLOW FROM INVESTING ACTIVITIES		(68,642,639)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Borrowings	5,242,712	
Proceeds from Share Capital Issued	49,000,000	
NET CASH FLOW FROM FINANCING ACTIVITIES		54,242,712
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(3,639,008)
Cash and Cash equivalents at beginning of the year		-
Cash and Cash equivalents at end of the year	(3,639,008)	
Net Increase/ (Decrease)		(3,639,008)

Note:

- 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.
- Cash and cash equivalents consists of Cash on hand and Balance with banks.

As per our report of even date attached
For **Bhuta Shah & Co.**
Chartered Accountants

CA Mitesh Kothari
Partner
Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

SCHEDULES

SUNDARAM EDUSYS PRIVATE LIMITED SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST March, 2010

Particulars	As at 31.03.2010 ₹
SCHEDULE A: SHARE CAPITAL	
AUTHORISED	
10,000,000 Equity Shares of ₹ 10/- each	100,000,000
ISSUED, SUBSCRIBED & PAID UP	
49,00,000 Equity Shares of ₹ 10/- each fully paid (Fully held by the Holding Company M/s Sundaram Multipap Ltd.)	49,000,000
	49000000
SCHEDULE B: UNSECURED LOANS	
From Holding Company	5,242,712
	5,242,712
SCHEDULE C: FIXED ASSETS	
Capital Work in Progress	27,577,073
	27,577,073
SCHEDULE D: CURRENT ASSETS, LOANS & ADVANCES	
(A) CURRENT ASSETS	
(a) Cash & Bank Balances	
(i) Cash on Hand	5,675
(ii) With Scheduled Banks	
-In Current Account	42,577
	48,252
SUB TOTAL (A)	48,252
(B) LOANS & ADVANCES (Unsecured, considered good)	
(a) Advances recoverable in cash or in kind and/or for value to be received	2,117,288
(b) Deposits	2,070,000
SUB TOTAL (B)	4,187,288
TOTAL (A) + (B)	4,235,540

SCHEDULES

SUNDARAM EDUSYS PRIVATE LIMITED SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST March, 2010

Particulars	As at 31.03.2010 ₹
SCHEDULE E: CURRENT LIABILITIES & PROVISIONS	
(A) CURRENT LIABILITIES	
Sundry Creditors	14,290,183
Bank Balance - Book Overdraft	3,687,260
Outstanding Statutory Liabilities	445,524
Outstanding Expenses	212,500
SUB TOTAL (A)	18,635,467
TOTAL (A) + (B)	18,635,467

SCHEDULES

Sundaram Edusys Private Limited

Schedules Forming Part of the Financial Statements for the Year Ended March 31, 2010

SCHEDULE 'F': 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.

iv. Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight line method on pro-rata basis 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.

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 in an 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 processing cost. Finished goods are valued at lower of the cost or net realizable value.

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

SCHEDULES

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:

The Provisions of the Provident Fund Act and Gratuity Act are not applicable to the Company. The Company does not have any other scheme of retirement benefit.

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:

An Asset is treated as Impaired when carrying cost of an asset exceeds its recoverable value. An Impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired.

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.

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.

SCHEDULES

xv. Provision for Doubtful Debts and Loans and Advances:

Provision is made in accounts for doubtful debts and loans and advances in cases where the management considers that the debts, loans and advances, are doubtful of recovery.

xvi. Other Accounting Policies:

These are consistent with generally accepted accounting policies.

2. NOTESTO ACCOUNTS:

i. The company was incorporated on 20th July 2009. During the year, it has started developing educational content for e-class. However, it has not yet started commercial operations.

ii. Expenses incurred during the year are accounted as pre-operative expenses and hence Profit and Loss Account is not prepared.

iii. **Contingent Liability:** Nil

iv. 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.

v. 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.

vi. Auditors Remuneration

Particulars

Audit fees

Others

Total

Current Year ₹
16,545
-
16,545

vii. 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.

viii. Deferred Tax:

There are no items falling within the purview of Accounting Standard (AS-22) "Accounting for taxes on Income" issued by Institute of Chartered Accountants of India.

ix. Segment Reporting:

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

SCHEDULES

x. Related Party Disclosures:

a) List of related parties with whom the company has entered into transactions during the year in the ordinary course of business:

Relationship	Name	Nature
Holding Company	Sundaram Multi Pap Limited	Company
Key Management Personnel (KMP)	Mr. Amrut P. Shah	Chairman
	Mr. Shantilal P. Shah	Director
	Mr. Hasmukh A. Gada	Director
	Mr. Chirag Gala	Director

b) Transactions with Related Parties:

Particulars	Holding Company	KMP
Issue of Equity Shares to Sundaram Multi Pap Limited	₹ 49,000,000	-
Loan Received from Sundaram Multi Pap Limited	₹ 5,242,712	-

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

Since the company has not carried out any business activity, these details are not given.

As per our report of even date attached

For **Bhuta Shah & Co.**

Chartered Accountants

CA Mitesh Kothari

Partner

Membership No. 110822

Mumbai on this 21st Day of May 2010

For and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
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 Details:

Registration No.
Balance Sheet date State code

2 Capital Raised during the year (₹in Lacs)

Public issue Right issue
Bouns issue Private placement

3 Position of Mobilisation and Deployment of fund (₹in Lacs)

Total Liabilities Total Assets

Sources OF Fund

Paid up Capital Reserves and surplus
Secured loans Unsecured loans
Deferred Tax Liability

Application of Fund

Net Fixed asset Capital Work in Progress
Investment Net Current Assets
Misc. Expenditure Accumulated Losses

4 Performance of the company (₹in Lacs)

Turnover Total expenditure
Profit / loss before tax Profit / loss after tax
Earning per share Dividend Rate (%)

5 Generic Name Of the three principal products / services of company

Item code No.
Product description

for and on behalf of the Board

Amrut P. Shah
Chairman

Shantilal P. Shah
Director

Hasmukh A. Gada
Director

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SUNDARAM EDUSYS PRIVATE LIMITED

Registered Office: 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, 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 FIRST Annual General Meeting of the Company of SUNDARAM EDUSYS PRIVATE LIMITED to be held on Wednesday, 1st September, 2010 at 11.00 a.m. at the registered office of the Company at 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai-400 058

NAME AND ADDRESS OF THE SHARE HOLDER _____

Folio No. / DPID - CLIENT ID _____

NAME OF THE PROXY (IN CAPITAL LETTERS) _____

No. of Shares held _____

I here record my presence at the meeting

Signature of Member / Proxy

27

SUNDARAM EDUSYS PRIVATE LIMITED

Registered Office: 903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, 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 FIRST Annual General Meeting of the Company of SUNDARAM EDUSYS PRIVATE
LIMITED to be held on Wednesday, 1st September, 2010 a.m. at 11.00 at the registered office of the Company at
903, Dev Plaza, S.V. Road, Opp. Andheri Fire Station, Andheri (West), Mumbai-400 058

Signed this _____ day of _____ 2010.

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, S.V. Road, Opp. Andheri Fire Station, 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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