

KG to PG



Learning Untied



10th Annual Report
2010-2011
EDSERV SOFTSYSTEMS LIMITED

“Leadership is the capacity to translate vision into reality.”



Mr. Giridharan
(Chairman and CEO)

Mrs. Gita
(Managing Director)

Mr. S. Arvind
(Director)

Mr. T.S. Ravichandran
(Director)

Dr. Ilango Balakrishna
(Director)

The dream of EdServ is to realize India's human resources potential to its fullest with equity and excellence by staying in the forefront of the technology driven education space. It's part of the paradigm shift that's currently transforming the very way education is being perceived in India. EdServ's management is committed to fulfilling this dream.

Contents

Message from the CEO	4
Financial Highlights	7
From Cradle to Careers	18
Glimpses of Growth	21
Milestones	22
Notice of the 10 th AGM	23
Directors' Report	31
Corporate Governance Report	34
Management Discussion and Analysis	46
Auditors' Report	63
Schedule Notes forming Part of the Accounts	74
Balance Sheet Abstract and company's General Business Profile	79
Disclosure of Information Relating to Subsidiaries	80
Consolidated Financial Statements	81
Form for ECS Mandate/ Bank Account Details	93
Attendance & Proxy Slip	96



Board of Directors

S. Giridharan (Chairman and CEO)
 G. Gita (Managing Director)
 Srinivasan Arvind IAS (Rtd) (Independent, non Executive)
 Prof. (Rtd) Ilango Balakrishna (Independent, non Executive)
 T. S. Ravichandran FCA (Independent, non Executive)

Registrars And Transfer Agents

Karvy Computershare Pvt, Ltd.
 Karvy House 17-24, Near Image Hospital, Reliance Cybervilae,
 Vittalrao Nagar, Madhapur, Hyderabad 500 081. India.
 Tel: 040-23420818
www.karvy.com, edserv@karvy.com

Company Secretary

G. Raghavan

Statutory Auditors

RAJ AND RAVI - Chartered Accountants, Chennai

Bankers

Union Bank of India, New No 74, G. N. Chetty Road, T. Nagar, Chennai 600017. Ph: 044-2346 0836
 Bank of Baroda Ltd, T. Nagar, Chennai 600017. Ph: 044-2345 4316
 ICICI Bank Ltd, 48, Arya Gowda Road, West Mambalam, Chennai 600033. Ph: 044-4208 8000
 AXIS Bank Ltd, 72, 4th Avenue, Ashok Nagar, Chennai 600083. Ph: 044-2471 4227
 HDFC Bank Ltd, 70/80 Arcot Road, Kodambakkam, Chennai 600024. Ph : 044 - 2473 5034
 IDBI BANK LTD, 115, Anna salai, Saidapet, Post No.1306, Chennai - 600015, Ph: 044 - 22355219

Registered Office

New No: 139, I Floor, PANNA PLAZA, Arcot Road,
 Kodambakkam, Chennai - 600024.
 Tel/fax: 044-2372 4088, 3988 5533, 6453 7216
 Fax: 044-2372 3098, info@edserv.in, www.edserv.com





Next Generation Education is Untied !

Poised as an upcoming player in this green field & technology driven learning, EdServ takes in the vast industry of education in India and firmly places its focus on empowering the 'Real India' with its carefully designed products and learning aids.

Message from the CEO



Dear Shareholder,

Warren Buffett once famously said that the investor of today does not profit from the growth of yesterday. Indeed, to me, this is the moment that we must profit from, & build on the wealth of our yesterdays, and share its benefits more equitably with our tomorrows. If imparting education has been the cornerstone of our growth and development in the past, then we must sustain this growth by not allowing it to favor only the fortunate few, but by help introduce a higher dimension of consciousness and knowledge to the awareness of the unfortunate many.

Ladies & gentlemen, I'm very happy to present yet another year of stupendous growth. Your company was founded, if you may recall, with a dream that our children, & our children's children will be judged one day by the only metric that it's worth believing in- that of Merit -with a capital M. We vowed that we will fulfill their dreams in help building their lives, their careers and equip them for a fantastic voyage that fathoms the future, fearlessly. EdServ has, since then, grown from strength to strength in helping find a meaningful solution to India's problem of education- or, the lack of it- among the teeming millions of young Indians. Today EdServ is a top draw company globally when it comes to not only offering education, but also career solutions in a most affordable and seamless way.

As part of EdServ's mission to provide cradle to career solutions, addressing student needs from pre-school to engineering and beyond, EdServ this year rolled out a number of academic and test prep solutions to support the academic preparatory needs of a student from core examination support including knowledge & skills upgrade, and passing competitive & semester examinations. EdServ's TestPrep solutions announced IITJEE, AIEEE (year long courses), CA -CPT, CA-INTER (IPCC) and FINAL, CAT, Law Entrance & AIPMT, among others.

Lampsglow.com, your company's flagship product is accessed online widely across the world. With the latest alexa.com rating our site within 7,000 top websites across wider markets for services in the web and online. This is a unique feat indeed considering the fact that we don't offer anything FREE and all products offered in our website are chargeable. So, I can proudly stand up and state that our site is truly used by the needy who don't mind paying for the high quality services in education and career solutions.



With regard to school support, our Vidhyadhana Division has in its fold over 120 schools providing various services that include online ERP, Hitech Schools, plus investment support for capacity and infrastructure expansion needs. We plan this year a further reach of around 500+ schools under this division. Vidhyadhana Division now encompasses an improved SchoolMATE V3.0 that provides EdClass, EdSchool, EdLabs, EdMedia, EdQuiz, and EdCourse offerings to schools coming under Vidhyadhana Academy. This means, every school becomes instantly empowered with classrooms having multimedia-content broadcast capabilities along with a 2-way question-answer sessions for each class, every hour. Tutors have their own login ID as with the case of students and parents to ultimately bring the communities into the ecosystem for better understanding and steeper learning curve.

During this year, we improved our dealer network to over 1,500 right across the country. Now we can say proudly that we are present in almost all the states of India selling our products' usage hours to needy students or career seekers. Further, we have also launched EdInstitute this year, which is a model training center giving ONLINE LAMPSGLOW access to a student who cannot access internet based systems because he / she simply can't afford it. This truly reflects our commitment to reach the bottom layer of the pyramid, should technology be a barrier for learning.

Also, the current year also saw your company launch a product for the masses to instantly share the information and knowledge on the move and benefit immensely without having to go through cumbersome logins on the web. HUMTHUM.com -the path-breaking product for smartphones can record and transmit pictures, texts, audio messages & video instantly with the help of a website that is owned by every registrant. With just the mobile number and a mobile id as verification, this product seamlessly serves you on the fly, be it catching up with the trends in your local area or browsing through items just launched in the nearby mall or engaging a tutor or a contact person to facilitate a second-hand sale / purchase.

EdServ also opened Skill Upgradation Centers (SUC) in Gujarat with a tie-up with its State Government and also trained scores of students and job seekers on skill development in various IT and non-IT vocational domains during the year.

This year also saw your company signing up with a number of partners for progress that include Asianet, IL&FS Education, Samsung, Blackberry, Sreeram Coaching Point, Sivmax, HT Campus, CACLUBIndia.com & Wings, among others.

Life responds to deserve and not to need. It doesn't say, 'If you need, you will reap.' It says, 'If you sow, you will reap.' And today, my friends, you certainly deserve this leap of growth, which was triggered by your act of faith in your company. Having kept the faith that the most exciting breakthroughs of the 21st century will not occur because of mere technology, but because of an expanding concept of what it means to be human, your company has gone ahead and introduced various education and career support services using niche, easy-to-access technologies, which makes learning eminently affordable and more meaningful to every man & woman who cares enough to deserve it.

The goals of academic purposes & career plans are now achieved through lampsglow.com- a first-of-its-kind student-consumer offering on a web super-store framework- and this is not mere super market hype, so to speak. With over 2,00,000 registered users, 5,000 registered tutors, 500 registered clients, 150 registered institutions, lampsglow.com has come a long way and is poised to capture global leadership in this segment of market.

Last, but not least, EdServ has also signed up with the country's premier mobile service provider TATA Docomo through their distributor, where your company's wide range of educational content on lampsglow.com will go to serve its subscribers. Having also inked deals with Blackberry and Samsung, your company's premier content and skill development courses will be used all over the world, thanks to these top brands in mobile space.

Great mountaineers do not so much conquer the mountain as they do themselves. The same is true for all of us in our quest to dispel darkness and usher in the light of knowledge among the young men and women of this great country of ours.

Let our lampsglow brightly in the year ahead too.

With warm greetings for the festival season ahead, to you and your family,

S. Giridharan,

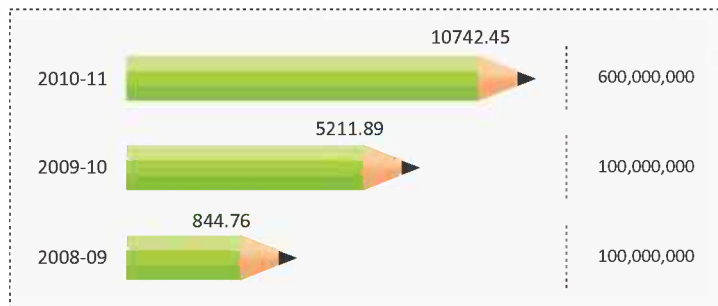
Chairman & CEO

30.08.2011, Chennai

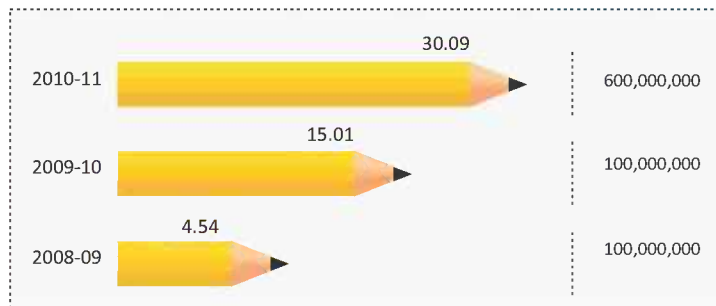


Annual Performance for the year 2010-11

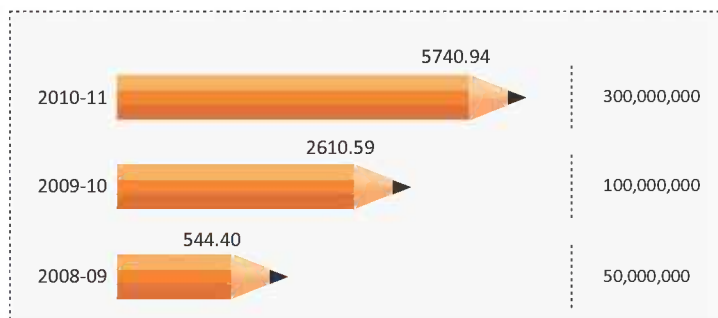
Revenue



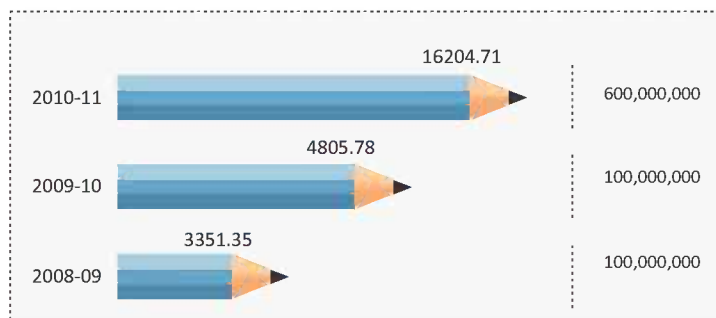
Earning Per Share (EPS)



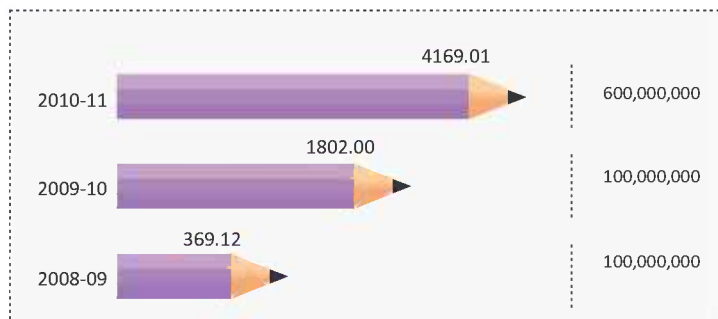
Operating Profit (EDIDTA)



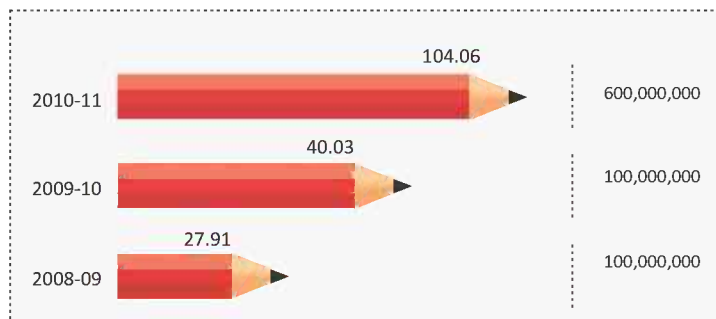
Net Worth



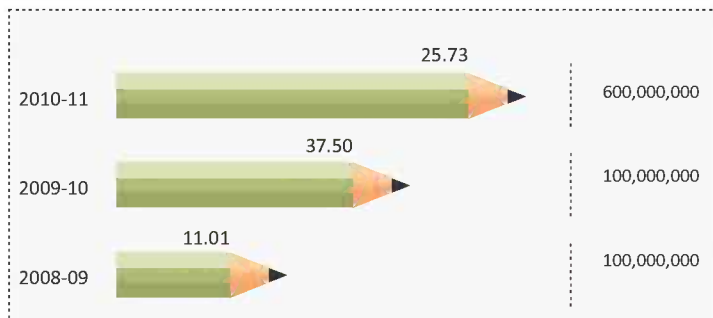
Profit After Tax (PAT)



Book Value



Return on Network



Financial Highlights

(₹) in Lakhs

Particulars	2008-09	2009-10	2010-11
Revenue	844.76	5211.89	10742.45
EBIDTA	544.40	2610.59	5740.94
Profit after Tax	369.12	1802.00	4169.01
EPS (In ₹)	4.54	15.01	30.09
Net Worth	3351.35	4805.78	16204.71
Book Value	27.91	40.03	104.06
Return on Net Worth	11.01	37.50	25.73





Spot the sparkle !

From making new friends and taming tantrums to writing those first letters, the typical Indian preschooler will learn a lot at EdServ's Sparkling Minds, thus beginning a beautiful traverse across his or her physical, social, emotional and language development mindscapes.



Reach for the stars

The right career is out there for everyone. But we must discover the best path towards it. Vidhyadhana, enhances the quality of learning among students so as to find and map their interest and natural background to an appropriate career at a very young age.



Staying in touch

Nobody ever said that children were easy to raise and much less, educate. EdServ's SchoolMATE CRM + ERP keeps parents informed about all activities related to their child -progress reports, examination schedules, fee payment dues, events of the school and much more.



Enjoy the power of going online

If innovative thinking is not the finding of a thing, but the making something out of it after it is found, then EdServ has not only developed lampsglow.com, but has simply untied the concept of learning from the shackles of conventionality.



Teaching from the heart

Ttuitions have come to be a mainstay of our educational ecosystem today. With the kind of competition children face at every stage of education, parents are stressed like never before. In this scenario, EdServ's drive for innovative education has made it blend technology with teaching abilities to produce 2tion.com, which is by far the best e-tutoring service impacting student performance from day one.



Smile all the way to IIT or MIT!

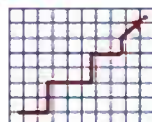
Targeting students in class 7-12, SmartLearn coaches IIT-JEE aspirants, one-on-one, through an innovative e-learning platform that brings a wealth of knowledge backed by experience from some of the best brains in the business, direct to a student's home.



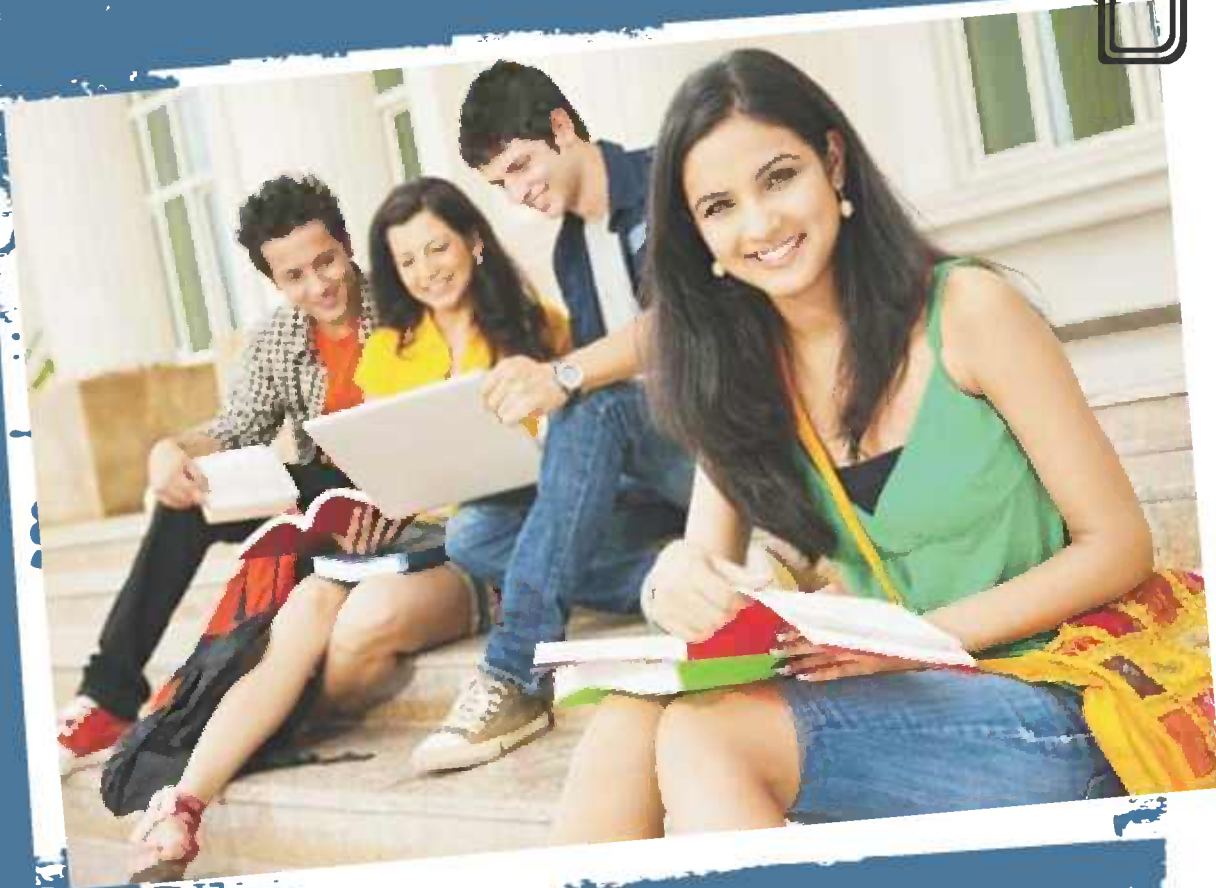


It's nice to feel sharp

An eLearning partnership with Chennai based Sreeram Coaching Point, a CA training institute will enable EdServ to provide online CA coaching for students through its education portal www.lampsglow.com.



SREERAM COACHING POINT



Bonding responsibilities

EdServ's CampusMATE CRM + ERP software keeps parents informed about all necessary things about their college going son or daughter, including progress reports, examination schedules, fee payment dues, college events and much more. Information is delivered instantly to their mobile phones through text messages or to their computers/PDA as e-mail.



Way to go mobile !

humthum- the knowledge apps is now available across all Blackberry & Samsung smart phones through Java Apps Stores worldwide. It will enable students to instantly access its educational services even when they are on the move, anytime, anywhere



Can't hardly wait

EdServ's EdSeed exceeds the expectations of corporate by providing skills and also seeds to develop skills to the need of corporate. EdSeed works on skill development training, resource placements, employability enhancements, and maps the demand with supply to bridge the academics and industry divide.

From Cradle to Careers! NextGen Education Online

HOW EMPLOYABLE ARE OUR YOUNG MEN & WOMEN ?

The imperatives of economic growth is not just a large working population, but able bodied people who are trained and skilled to work in different industries. In fact, Goldman Sachs has predicted that only India can maintain a 5% growth rate until 2050. Currently more than 35% of our population are below the age of 20, and it is expected that by 2020, 325 million people in India will reach working age, which will be the largest in the world. All this augers well. But the irony is, many industries observe that people coming out of India's colleges and universities are not readily employable and they have to give them skills training before they start their work. This strains the industry. We need to work on our policies to make sure those who are still in school and colleges get the best education and be ready for their opportunity when it arrives.

The need of the hour is to use our technological skills and replace our age-old systems with innovations to reduce the resource burden. We need innovative and sustainable solutions. Not only in energy, steel, transportation, medicare, manufacturing, agriculture or sanitation. But most importantly in education. That's where mind sets are formed. The rest will follow, as sure as tomorrow's sun.

AN ENDEAVOR TO EDUCATE

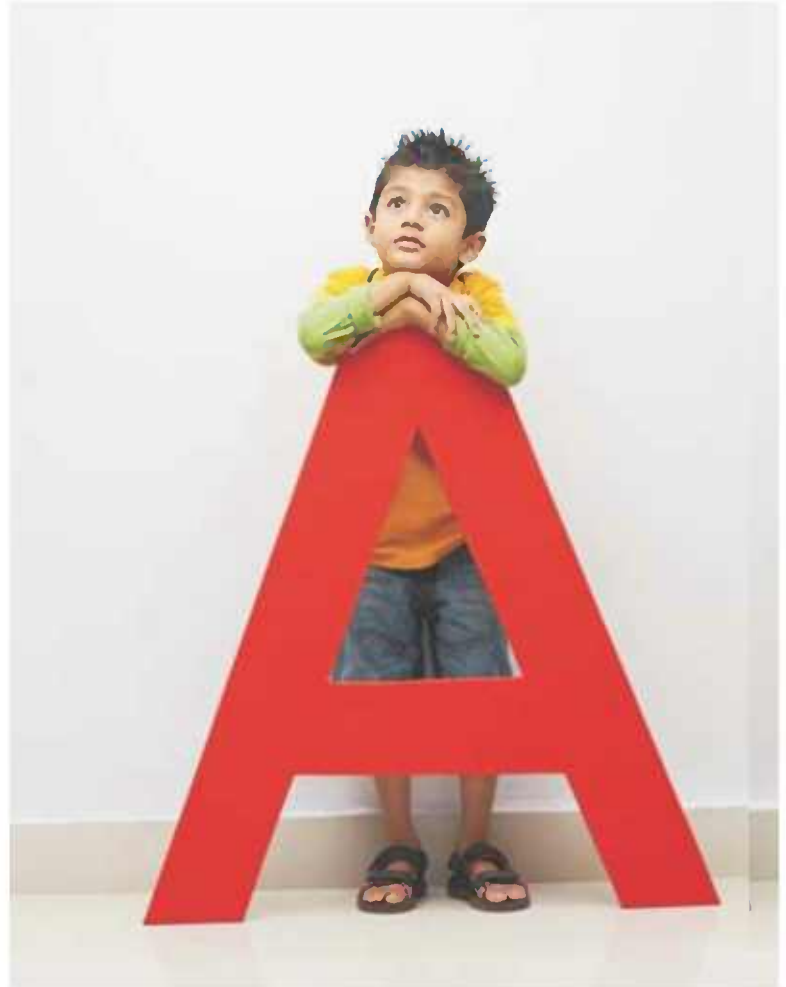
The harbinger of that new dawn of India's destiny is EdServ. Armed with its *Trishul*. Of education in its modern format, powerful content and ease of delivery.

THE BOUQUET OF BRANDS

EdServ brands such as lampsglow.com, EdCenter, EdCademy, EdInstitute, EdPrime, EdQuiz, EdMedia, EdTutor, EdSchool, EdClass, EdCampus, EdSeed, 2tion.com & Vidhyadhana are powerful engines that engages in activities ranging from e-learning, online tutoring, job placements, test preps etc. in both in-campus and off-campus formats by pre-paid product access portals that guarantees unlimited access to all learning and placement services.

LAMPSEGLOW.COM – THE WEB BASED KNOWLEDGE MALL FOR KG 2 PG & SUPERMARKET FOR CAREERS

If innovative thinking is not the finding of a thing, but the making something out of it after it is found, then EdServ has not only developed the mother of all portals in the field of education in recent memory, but has simply untied the concept of learning from the shackles of stifling conventionality through lampsglow.com. lampsglow.com is a powerful online web portal for education and placement. It offers e-learning modules from pre-school to university apart from test preps & career guidance and job placements on a retail format through EdPrime Partnership Program, Content-on-Lease (CoL) arrangements that ensures fresh, diversified, appealing, best-seller contents from third-parties on a park-on-lease framework and royalty pay outs on hourly usage. EdServ has also signed up with AsiaNet for the next two years to make their one lakh subscribers instantly access lampsglow.com. Also, the company has



established CA-Club, thanks to an e-learning partnerships with Sreeram Coaching Point. A tie up with MingleBox, India's leading campus and education network with a user base of students and young professionals across the country, helps students find the best colleges and courses through online admission help and counseling services. The company has also inked an agreement recently with HTCampus, a leader, in campus search for students.

THE SPARKLING MINDS

Another brilliant retail product under the lampsglow marquee of EdServ is The Sparkling Minds, an online pre-school and junior school program with a worldwide customer base that spans the US, Europe & Australia. The sparkling The sparkling Minds is accessible as both online, off-campus model, as well as an in-campus, activity-based pre-school service.



NEXTGEN EDUCATION ONLINE

EdServ has thus evolved into one of the world's first 4th generation education model that is technology-led, web-based, integrates learning & careers, reaches the masses in spread and proximity, and is eminently affordable. It addresses every segment from KG to PG + careers. More over, its content on lease (CoL) arrangement ensures that the best educational content is made available irrespective of the syllabi streams, including ICSE.EDSERV

VIDHYADHANA ACADEMY- A COUNTRY-WIDE UNIVERSITY

EdServ's Vidhyadhana Academy has its presence in 150 schools as an online ERP and end-to-end school support system. With plans to increase it to 350 schools in the next 12 months, Vidhyadhana Academy is a strategic, asset light, school acquisition model in which EdServ typically invests up to Rs. 40 lakhs on infrastructure, quality, teacher empowerment & technology aids, so much that the school gets a 3-dimensional growth in just 2-3 years. This results in greater student strength, rationalization of fee structure, scaled up capacities, high quality student & faculty services, and of course, better student performance and assessment. Vidhyadhana also encompasses fun-filled and live HiTech Schools, EdClass, EdQuiz, EdMedia & EdTutor modules as innovative endeavors to offer end to end interactive pedagogic support- right across primary, secondary & higher education spectrums- improving the academic performance of students and imbining them with a solid career orientation early in life.

EDSEED-CORPORATE SOLUTIONS

With a view to promote highest levels in corporate governance, EdServ developed EdSeed to meet its human resource demand in the corporate world. It ensures that a recruited fresher becomes deployment ready and saves both cost and time for the client thus seeking to bridge the supply and demand gap between academia and the industrial world.

MODULAR EMPLOYABLE SKILLS

EdSeed reaches far and wide and can be accessed in more places than ever! Here anybody, from those from the lower income families, final year students, unemployed graduates and diploma holders, and working people with career mismatches can register and choose online their required services and support seamlessly.

HUMTHUM

Humthum.com is a first of its kind knowledge sharing product developed for the Indian market by EdServ in association with Samsung. Its a unique mobile based knowledge sharing apps made available across all Samsung smart phones through their Java Apps Stores. It literally symbolizes the idea that knowledge is power and therefore, controls all access to opportunities and advancements. By foraying into the mobile application space with its wide range of educational contents, it has taken on the entire gamut of education services- tuition, academics, skill development & test prep services.

**2tion.com -TUITIONS THAT COME HOME**

2tion.com blends technology with teaching abilities to produce by far the best e-tutoring service that will impact student performance from day one. With 2tion.com, students can access live tuition, choose what and when to learn & collaborate with one another-just like in a brick & mortar school-but with a click of a mouse, anytime after school's out or after college hours.

EDCADEMY-ENHANCING PERFORMANCE

EdCademy is more than a metaphor for the teaching, learning and research environment created by the convergence of new powerful instruction and communication technologies. Indeed, today, by leveraging the benefits of virtual



initiatives in education every young Indian student can be confident of relying on his competence and performance to succeed globally. Today, with 3G spectrum, low cost laptops and smart phones becoming part of our lives, learning is truly untied. Test preparations, live tuitions, and board preparations using online rendering have become so authentic, reachable than ever before, that many schools and colleges are opting for it in a big way. To put it in a nut shell, the student of tomorrow has the world in his pocket. Online education is the way to go -whether it is Management Studies or CA/Inter/Final, Engineering or IIT-JEE. With an affordable price point and reach, the GenNext is sure to do online learning anywhere, anytime as a powerful, result yielding education support.

EDSERV EDCAMPUS-JOBS & CAREERS MADE EASY

It doesn't matter whether you have a B.A or a M.A or a Ph.D, but it does matter that you have a J.O.B ! EdCampus is EdServ's online placement campus that enables a candidate to freely enter his/her resume into the system with all the relevant information and background including qualifications, skill set, and experience along with job preferences. It is a virtual campus that immediately lists out the jobs that are matching to the profile and are live. It provides placements quickly as it houses lakhs of jobs live from various clients. Thus it lets a job seeker skip the job queue through a direct client handshake online.



Glimpses of Growth



Signing MOU with Gujarat Govt



Receiving an Award for HUMTHUM.com Apps



EdServ's 24x7 Call Center (044-3988 5533)



EdInstitute Training Center



EdSeed Skill Development Center



Vidhyadhana School



EdServ Cricket Team



Milestones

March 2001:

Incepted as an IT solution provider

August 2004:

Rolled out the 300th retail software product (Raymedi) for pharmacies

April 2007:

Acquired ELMAQ, one of the leading IT training brands in south India

January 2008:

Launched India's first 4th generation education company, renamed as EdServ

March 2009:

Listed in BSE and NSE after the IPO for the Indian market

April 2009:

Launched EdCademy the online academic support for engineering students

August 2009:

Signed up the MOU with Manonmaniam Sundaranar University (MSU)

September 2009:

Acquired 2tion.com

October 2009:

Became the Associated Training Provider to the Ministry of Labor & Employment, GoI

November 2009:

Launched VIDHYADHANA the academy of excellence for schools to enter School segment

January 2010:

Awarded as Vocational Training Provider (VTP) status for the Southern Region by the Regional Directorate for Apprenticeship Training (RDAT) - Hyderabad & Chennai regions of Ministry of Labour, GOI.



February 2010:

Acquired SchoolMATE, the ERP for Schools

March 2010:

- Acquired SmartLearn web TV, the e-content entity for IIT-JEE and AIEEE.
- Launched LAMPSGLOW online education / placement portal with tutoring, e-learning, Test Prep, and Jobs.
- Entered preschool segment by acquisition of The Sparkling Minds.

May 2010:

Signed up Distributors for LAMPSGLOW in Bihar, Gujarat, Himachal Pradesh, UP apart from AP / TN

June 2010:

Vidhyadhana academy signed MOU with 40 year old city school

July 2010:

Launched Mobile application for students for doubt clarifications with live tutors

August 2010:

Signed up with COREL CORP as e-learning partner

October 2010

EdServ bags 5 Year Gujarat Government Training Deal To develop content and train youth to make them productively employable

November 2010

Enters Pan India CA market

January 2011

Strikes 3 year deal with Sreeram Coaching Point - Targets Pan India CA market

February 2011

Signs 2 year deal with ASIANET to make their 1 lakh customers access lampsglow.com

June 2011

Launches HUMTHUM, a mobile Knowledge Media in Samsung Java AppStore

July 2011

Inks a deal with Blackberry to provide online education content on smartphones.



Notice of the tenth annual general meeting

Notice is hereby given that the Tenth Annual General Meeting of the members of EdServ Softsystems Limited, will be held on Thursday, the 29th day of September 2011 at 11:00 a.m at Kamaraj Arangam , No. 492, Anna Salai, Teynampet, Chennai 600006, 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 31st March, 2011 and the reports of the Directors' and Auditors' thereon.
- 2.To declare Dividend.
- 3.To appoint a Director in place of Mr. S.Arvind who retires by rotation and being eligible, offers himself for re-appointment.
- 4.To appoint Auditors of the company and to fix their remuneration.

SPECIAL BUSINESS

5. Reappointment of Chairman & CEO:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mr. S. Giridharan as Chairman cum Chief Executive Officer (CEO) for a further period of Five years with effect from 01.04.2011 on non-rotational basis on a remuneration of not exceeding 5% of the Net Profit calculated as per provisions of section 349 and 350 of the Companies Act, 1956 (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 30.05.2011."

"RESOLVED FURTHER THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mr. S. Giridharan in such manner as may be agreed to between the Board of Directors and Mr. S. Giridharan provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. S. Giridharan the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956."

"RESOLVED FURTHER THAT the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents,

instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution."

6. Reappointment Of Managing Director:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the reappointment of Mrs. G. Gita as Managing Director for a further period of Five years with effect from 01.04.2011 on non-rotational basis on a remuneration of not exceeding a sum of 5% of the Net Profit calculated as per provisions of section 349 and 350 of the Companies Act, 1956, (inclusive of all allowances and perquisites) as per recommendation made by the Remuneration committee and the Board of Directors at its meeting held on 30.05.2011."

"RESOLVED FURTHER THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary and commission) as also the type and amount of perquisites and other benefits payable to Mrs. G. Gita in such manner as may be agreed to between the Board of Directors and Mrs. G. Gita provided, however, that the remuneration payable to him shall not exceed the limits specified in the explanatory statement attached herewith as also the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mrs. G. Gita the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, without the approval of Central Government (if required), exceed the limits prescribed under the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

"RESOLVED FURTHER THAT the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956."

"RESOLVED FURTHER THAT the board be and hereby authorized to do all such acts, deeds and to things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution."

7. Increase Of Authorized Capital:

To consider and if thought fit to pass with or with out modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the authorized capital of the company be and is hereby increased from ₹ 25,00,00,000 (Rupees Twenty Five Crores) to ₹ 40,00,00,000 (Rupees Forty Crores) by creation of additional equity share capital of ₹ 15,00,00,000 (Rupees Fifteen



Lakhs) equity shares of ₹ 10/- (Rupees Ten) each ranking for dividend and in all other respects pari passu with the existing equity shares in the company.”

“RESOLVED FURTHER THAT consequent to the above and pursuant to the provisions of sections 16 and 94 and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the existing Clause V of the Memorandum of Association be and is hereby deleted and be substituted by the following clause in its place and stead:

V. The Authorized Share Capital of the Company is ₹ 40,00,00,000/- (Rupees Fourty Crore) divided into 4,00,00,000 (Four Crore) Equity Shares of ₹ 10 (Rupees Ten) each with the rights, privileges or conditions attached thereto as provided by the regulations of the company for the time being with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided in the regulation of the company.”

8. Issue of equity warrants:

To consider and if thought fit to pass with or without modifications the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the company and subject to the Listing Agreement entered into by the company with Stock Exchanges and the regulations/rules/guidelines issued by the Securities and Exchange Board of India (herein after referred to as “SEBI”), Stock Exchanges, such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted to the Board of Directors of the company (which term shall include any duly constituted and authorized committee thereof) to create, issue, offer, allot and deliver in one or more tranches on a private placement and / preferential basis 700935 Equity warrants at a price of ₹ 214/- per warrant , which is higher than the Price determined as per SEBI (ICDR) Regulations, 2009 i.e., ₹ 10/- each at a premium of ₹ 204/- per warrant aggregating to an extent of ₹ 15,00,00,090 (Rupees Fifteen Crores and Ninety only) on Preferential Basis to D. B. Corp Limited a Non-Promoter with currency not exceeding Eighteen months from the date of issue/allotment of the said warrants or such extended currency as may be permitted under the applicable SEBI Regulations as amended from time to time, each such warrant entitling the holder thereof to exercise its option to apply for and be issued and allotted one fully paid up equity share of face value of ₹ 10/- each in the company at any time which option may be exercised by the holder in one or more tranches and on such terms and conditions as the Board may from time to time, whether on the same terms and conditions as may be deemed appropriate by the Board , both issued at a price

which is higher than the minimum specified as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”) on the relevant date and that shares so issued shall rank pari-passu in all respects with the existing Equity Shares of the company.”

“RESOLVED FURTHER THAT the relevant date in relation to the fully convertible warrants for the purpose of determining the minimum applicable price under the SEBI Regulation for preferential Issue shall be 30.08.2011 ie the date 30 days prior to the date of the Annual General Meeting where the proposed issue is to be considered.”

“RESOLVED FURTHER THAT the said fully convertible warrants shall be issued and allotted within a period of fifteen (15) days from the date of passing this Special Resolution provided that where the allotment of the said fully convertible warrants is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government , the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Regulations as amended from time to time.”

“RESOLVED FURTHER THAT an amount of ₹ 53.50/- per warrant.(25% of issue price of ₹ 214/-) shall be payable on the date of allotment of the said warrants, which shall be adjusted against the price payable subsequently for acquiring the equity shares by exercising the option for conversion with the balance amount being payable at the time of conversion, and the said amount be forfeited, in case the option to acquire fully is not exercised. However the option to exercise shall not be later than 18 months of the issue of warrants on such other terms as may be decided by the Board from time to time.”

“RESOLVED FURTHER THAT the said fully convertible warrants to be issued and allotted upon conversion thereof on the exercise of the said option by the holder thereof shall be subject to a lock in period as per SEBI Regulations as amended from time to time.”

“RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the said fully convertible warrants to be issued and allotted upon conversion thereof on the exercise of the said option by the holder thereof of the company , as aforesaid, the Board of Directors / committee for the purpose be and is hereby authorized to do and perform all such other acts, deeds, matters and things as it may, in its absolute discretion deem necessary , expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the said equity Warrants of the company as it may, in its absolute discretion, deem fit and proper and also to seek the listing of such securities in one or more Stock Exchanges in India.”

9. Issue of equity shares on preferential basis:

To consider and if thought fit to pass with or without modifications the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any , of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the company and subject to the approval to the Listing Agreement



entered into by the company with Stock Exchanges and the regulations/rules/guidelines issued by the Securities and Exchange Board of India (herein after referred to as "SEBI"), Stock Exchanges, such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted to the Board of Directors of the company (which term shall include any duly constituted and authorized committee thereof), the Board of Directors be and is hereby authorized to create, issue, offer, allot and deliver in one or more tranches on a private placement and / preferential basis to issue 25,00,000 Equity Shares at a price of ₹ 140/- per Share, which is higher than the Price determined as per SEBI (ICDR) Regulations, 2009 i.e., ₹ 10/- each at a premium of ₹ 130/- per Share aggregating to an extent of ₹ 35,00,00,000 (Rupees Thirty Five Crores only) on Preferential Basis to Prosel Ventures Private Limited a Non-Promoter as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") on the relevant date towards consideration for the Acquisition of E-learning online tuition content in animated format/ Pre-recorded teaching content relating to Legal, Accounts and Finance more particularly covering Chartered Accountancy, Company Secretary, Cost Accountant & IFRS courses from the above company and that shares so issued shall rank pari-passu in all respects with the existing Equity Shares of the company.

RESOLVED FURTHER THAT the relevant date for the purpose of determining the minimum applicable price under the SEBI Regulations for preferential Issue shall be 30.08.2011 ie the date 30 days prior to the date of the Annual General Meeting where the proposed issue is to be considered.

RESOLVED FURTHER THAT the said shares shall be issued and allotted within a period of fifteen (15) days from the date of passing this Special Resolution provided that where the allotment of the said shares is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Regulations as amended from time to time."

"RESOLVED FURTHER THAT the said shares to be issued and allotted shall be subject to a lock in period as per SEBI Regulations as amended from time to time."

"RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the said shares to be issued and allotted, the Board of Directors of the company be and is hereby authorized to do and perform all such other acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the said equity shares of the company as it may, in its absolute discretion, deem fit and proper and also to seek the listing of such securities in one or more Stock Exchanges in India."

For and on behalf of the Board of Directors
S. Giridharan
Chairman & CEO
Place : Chennai
Date : 30.08.2011

NOTES:

1.A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Members/proxies should bring the attendance slip duly filled in for attending the meeting.

3. The Register of Members and the Share Transfer Books of the company will remain closed from 23.09.2011 (Friday) to 29.09.2011 (Thursday) (both days inclusive).

4. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

5.Members are requested to notify immediately any change in their Address to the Registrar and Share Transfer Agent- Karvy Computershare Pvt. Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081. Tel : 040-44655000, Fax : 040-23420814, Email : einward.ris@karvy.com

6.Subject to the provisions of section 206 A of the Companies Act, 1956, the final dividend, as recommended by the Board of Directors, if declared, at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after 29.09.2011 to those members whose names appear in the Register of Members as on 23.09.2011.

7.In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per the details to be furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited. Those members are requested to direct change of address notifications and updations of their bank account details to their respective Depository Participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends. The relevant authorization Form for ECS Mandate/Bank Account details is attached elsewhere in this report.

8.Member who desire to have their Bank Account details incorporated in their Dividend warrants may please furnish the (i) Share Folio No.

(ii) Name and address of Sole/First Shareholder

(iii) Bank Account No.

(iv) Name of the Bank and Branch

(v) Full address of the branch with Pin Code.

The details may be sent to the Company's Registrar & Transfer Agent . Karvy Computershare Pvt. Ltd.,Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.,Tel : 040-44655000, Fax : 040-23420814, Email : einward.ris@karvy.com



9. Information pursuant to clause 49 of the Listing Agreement for the re-appointment of Director:

Name of the Director	Mr. S. Arvind
Age	67 years
Date of Appointment	03.04.2008
Qualification	Masters in Public Administration
Experience	40 years
No. of Shares	Nil
Directorship in other companies	Wholistic Breads Pvt. Ltd., Honeycomb Technologies Pvt. Ltd., Omshakthi Fire Realty Pvt., Ltd.,
Chairman/Member of committees of companies	Nil
Shareholding in the company	Nil

10. Unclaimed Dividend Pursuant to the provisions of section 205A(5) of the Companies Act, 1956 for the financial ended 31st March 2009 and 31st March 2010 which remain unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in subsection 1 of Section 205A of the Act, will be transferred to the Inventor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not cashed the dividend warrant so far for the financial year ended 31st March 2009 and 31st March 2010 are requested to make their claim to the company's secretarial department at New No. 139, Panna Plaza, Arcot Road, Kodambakkam, Chennai - 600024. It may also be noted that once the unclaimed dividend is transferred to IEP Fund, as above no claim shall lie in respect thereof.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) FOR ITEM NO. 5 to 9.

ITEM NO.5

Mr.S.Giridharan, was appointed as Chairman & CEO at the Annual General Meeting held on 22.04.2008 for a period of Three years with effect from 01.04.2008 and his term expires on 31.03.2011. Mr. S.Giridharan has been managing the company efficiently for more than 5 years. With his rich experience in the field of development of online Educational Contents the company has achieved greater heights. His re-appointment will benefit the company in many ways. The Board of Directors has recommended the re-appointment of Mr. S.Giridharan as Chairman & CEO for a further period of Five years with effect from 01.04.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 30th May 2011, for approval at the Board Meeting.

Since the Reappointment of Managerial personnel requires the approval of the Share Holders at the General Meeting by way of special resolution. Accordingly the said resolution is being put forth for the approval of the share holders.

The information provided above, may also be treated as an abstract of the terms of the above agreement pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of your Company are interested in the proposed resolution except Mr. S. Giridharan and Mrs. G. Gita.

ITEM NO.7

The company requires the infusion of more funds by way of Equity Capital for further development and expansion. The Board of Directors thought it fit to invite funds for the company by way of Issue of equity shares on preferential basis subject to the compliance of the provisions of Companies Act and Articles of Association of the company.

At present the Authorized Share Capital of the company is ₹ 25,00,00,000/- divided into 2,50,00,000 Equity shares of ₹10/- each. It is proposed to increase the Authorized Capital to ₹ 40,00,00,000/- divided into 4,00,00,000 Equity shares of ₹ 10/- each.

The existing Clause V of the Memorandum of Association of the Company specifies the present Share Capital of your Company. As the proposal is to increase the Authorized Share Capital base, substitution of the existing Clause V is considered necessary in order to reflect the increase in Authorized Share Capital of your Company.

None of the Directors of your Company are interested in the proposed resolution except Mr. S. Giridharan and Mrs. G. Gita.

ITEM NO.6

Mrs.G.Gita, was appointed as Managing Director at the Annual General Meeting held on 22.04.2008 for a period of Three years with effect from 01.04.2008 and the tenure of Mrs. G. Gita as Managing Director expires on 31st March 2011. Considering the exemplary service provided by her in the past and her role in the development of the Company, the Board of Directors has recommended the reappointment of Mrs. G. Gita as Managing Director for a further period of five years with effect from 01.04.2011 as per the terms and conditions including remuneration as recommended by the Remuneration Committee and Board of Directors at its meeting held on 30th May 2011, for approval at the Board Meeting.

Since the Reappointment of Managerial personnel requires the approval of the Share Holders at the General Meeting by way of special resolution. Accordingly the said resolution is being put forth for the approval of the share holders.

The information provided above, may also be treated as an abstract of the terms of the above agreement pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of your Company are interested in the proposed resolution except Mr.S.Giridharan and Mrs. G. Gita.



ITEM NO: 8
ISSUE OF EQUITY WARRANTS

a) Objects of the Issue

The Company proposes to make substantial investments over the next few years for expanding its business into the Schools, Online Tuition services segment and also proposes to upgrade its Learning Management System to include Institutions Management Systems. The company also needs to upgrade Content Development, Infrastructure for Higher Education and Career Placement segments. Further the Company is in need of expanding its presence Pan India through more representative offices and partner centers and the subsequent promotion campaign exercise for Pan India roll out. This will involve huge funds outlay over the period of next few years. The financial position of the company also needs to be strengthened and new resources have to be generated as well as appointed for accomplishing the above plans. As part of the above project funding, the company proposes to raise capital upto to an extent of Rs. 15.00 Crores by way of issue of 700935 Fully Convertible Equity warrants of Rs.10/- each at a price of Rs.214/-, which is higher than the Price determined as per SEBI (ICDR) Regulations, 2009 including the premium of Rs.204 per share as per the provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations").

b) Shareholding pattern before and after the offer of warrants:

i) Shareholding pattern before (after the issue of shares given in the item no.5) and immediately upon the conversion of 700935 equity warrants pursuant to the offer

S.No	Category	Pre- Issue		Post Issue	
		No of Shares	% of shareholding	No of Shares	% of shareholding
A	Promoter's holdings				
	Indian Promoter	3699903	14.67	3699903	14.28
B	Non Promoter holdings	-	-	-	-
	Institutional Investor/Banks	489774	1.94	489774	1.89
	Mutual Funds	-	-	-	-
	FIIS	69199	0.27	69199	0.27
C	Others	-	-	-	-
	Private Corporate Bodies	7169597	28.44	7870532	30.37
	Indian Public	5543730	21.99	5543730	21.39
	Trust	1000	-	1000	-
	NRI/OCBs	172844	0.69	172844	0.67
	Clearing Member	66709	0.26	66709	0.26
	Shares held by custodians, against which Depository receipts have been issued.	8000000	31.73	8000000	30.84
	TOTAL	25212756	100	25913691	100

**After taking into consideration the conversion of all unconverted warrants issued as on date.

d) Proposed time within which the allotment shall be completed:

The allotment of equity shares will be completed within a period of fifteen days from the date of passing the resolution by the Shareholders at the Annual General Meeting, provided that when the allotment on preferential basis is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed with 15 days from the date of receipt of such approval



e) The identity of the proposed allottees and percentage of post preferential issue capital that may be held by it:
The Proposed allottees are

NAME	ADDRESS	CATEGORY	No. of WARRANTS
D.B. Corp Limited	280, Sarkhej Gandhi Nagar Highway, Near Y.M.C.A. Club Markarba, Ahmedabad, Gujarat - 380051	Non-Promoter/ Body Corporate	700735
TOTAL			700735

The Pre- Issue and Post- Issue shareholding pattern of the proposed allottee are given below:

NAME	PRE ISSUE		AFTER CONVERSION OF WARRANTS	
	No of Shares	% of shareholding	No of Shares	% of shareholding
D. B. Corp Limited				
TOTAL			700935	2.70

f) Pricing Certificate of the Auditors:

M/s.RAJ AND RAVI, Chartered Accountants, Chennai, Statutory Auditors of the company, will issue a pricing certificate as on 30.08.2011 being the relevant date, calculated as per SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. The said certificate shall be placed before the shareholders at the Annual general meeting and is available for inspection of Members at the registered office of the Company during 11.00 a.m. to 4.00 p.m. on any working day after 31.08.2011 and upto the date of the Annual general meeting.

g) Lock In:

The warrants to be issued and allotted on preferential basis shall be subject to a lock in period as per SEBI (ICDR) Regulations 2009 as amended from time to time.

h) Change in Management:

There will be no change in the Management or control of the Company.

i) Legal Requirement:

As per provisions of Section 81(1A) of the Companies Act, 1956, consent of the shareholders by way of Special resolution is required for issue of shares on preferential basis. Hence the Board recommends the said resolution for the approval of shareholders in the ensuing Annual General Meeting.

j) Disclosure of Interest:

None of the directors of the Company is concerned or interested in the above resolution.

ITEM NO. 9

ISSUE OF EQUITY SHARES

a) Objects of the Issue

The shareholders are well aware that the Company has been in the forefront of online education space in India. With courses spanning from focused engineering tutoring content to preparatory courses for IIT JEE and AIEEE and providing additional value added training courses focused on developing the skill set of engineering students to become employment ready, the company has comprehensively covered the learning necessities of students from school to college to establishing a career. Having established such a strong foot-hold in the

technical education market, the company is now looking to capture the commerce education space, which is much larger and growing at a rapid pace. Commerce is the second big career choice for a student all over India and professional certification courses such as CA, CS and CWA have become career changers for commerce students. The company had identified Prosel Ventures Pvt Limited (Prosel) as a potential target for content provider

Prosel has developed unique animated video lectures, assessment systems, supporting materials such as workbooks and revision materials for all 3 stages (Foundation, Intermediate and Final Examinations) for CA, CS and CWA. The content has also been presented in a learning management framework that is delivered online.

Upon assessment/ Diligence, it has been identified that Prosel's content for CA, CS and CWA can also be adapted to serve as supplementary learning and tutoring material for higher secondary students in Schools across India. Also since professional financial certification courses such as CA, CS and CWA has gained immense recognition in over 84 countries, the content provided by Prosel can be adapted to suit the learning requirements and need across the globe with the existing frame work.

Under the light of inherent competitive advantage and opportunity to expand globally, the company has decided to acquire the business and contents from Prosel Ventures Pvt Ltd for a consideration of Rs.35,00,00,000 by way of equity allotment.

Though the valuation of above business is very much higher as per the Valuation report given by Independent Chartered Accountants, the company has proposed to acquire the above business at a consideration of Rs.35,00,00,000 (Rupees Thirty Five Crores) by issue of 25,00,000 Equity Shares of Rs.10/- each at a price of Rs.140/- per Share, which is higher than the Price determined as per SEBI (ICDR) Regulations, 2009 including the premium of Rs.130 per share as per the provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations").



b) Shareholding pattern before and after the offer of shares:

Shareholding pattern before and immediately upon the issue of 25,00,000 equity shares pursuant to the offer

S.No	Category	Pre- Issue		Post Issue	
		No of Shares	% of shareholding	No of Shares	% of shareholding
A	Promoter's holdings				
	Indian Promoter	3699903	14.28	3699903	13.02
B	Non Promoter holdings	-	-	-	-
	Institutional Investor/Banks	489774	1.89	489774	1.72
C	Mutual Funds				
	FII/5	69199	0.27	69199	0.24
C	Others				
	Private Corporate Bodies	7870532	30.37	10370532	36.50
	Indian Public	5543730	21.39	5543730	19.51
	Trust	1000	-	1000	-
	NRI/OCBs	172844	0.67	172844	0.61
	Clearing Member	66709	0.26	66709	0.23
	Shares held by custodians, against which Depository receipts have been issued.	8000000	30.87	8000000	28.16
	TOTAL	25913691	100	28413691	100

**After taking into consideration the conversion of all unconverted warrants issued as on date.

c) Proposed time within which the allotment shall be completed:

The allotment of equity shares will be completed within a period of fifteen days from the date of passing the resolution by the Shareholders at the Annual General Meeting, provided that when the allotment on preferential basis is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed with 15 days from the date of receipt of such approval

1. The identity of the proposed allottees and percentage of post preferential issue capital that may be held by it:

The Proposed allottee is:

NAME OF THE ALLOTTEE	ADDRESS	CATEGORY	No. of SHARES
PROSEL VENTURERS PRIVATE LIMITED	No.18 / 53, Josier Street, Nungambakkam, Chennai 600034	Non-Promoter/ Body Corporate	25,00,000
	TOTAL		25,00,000



The Pre- Issue and Post- Issue shareholding pattern of the proposed allottees are given below:

Name	Pre- issue		Post Issue	
	No of Shares	% of shareholding	No of Shares	% of shareholding
PROSEL VENTURES PRIVATE LIMITED	Nil	Nil	2500000	8.80

e) Pricing Certificate of the Auditors:

M/s.RAJ AND RAVI., Chartered Accountants, Chennai, Statutory Auditors of the company, will issue a pricing certificate as on 30.08.2011 being the relevant date, calculated as per SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. The said certificate shall be placed before the shareholders at the Annual general meeting and is available for inspection of Members at the registered office of the Company during 11.00 a.m. to 4.00 p.m. on any working day after 31.08.2011 and upto the date of the Annual general meeting.

f) Lock In:

The shares to be issued and allotted on preferential basis shall be subject to a lock in period as per SEBI (ICDR) Regulations 2009 as amended from time to time.

g) Change in Management:

There will be no change in the Management or control of the Company.

h) Legal Requirement:

As per provisions of Section 81(1A) of the Companies Act, 1956, consent of the shareholders byway of Special resolution is required for issue of shares on preferential basis. Hence the Board recommends the said resolution for the approval of shareholders in the ensuing Annual General Meeting.

I) Disclosure of Interest:

None of the directors of the Company is concerned or interested in the above resolution.



Directors' Report

Your Directors have pleasure in presenting their report for the year ended 31st March 2011 together with the Balance Sheet as at 31st March 2011 and the Profit and Loss account for the year ended on that date.

Performance Review

Your company's performance has been significant this year on revenues as well as on reach and spread in its market space. Your company has grown spectacularly in revenues on Academics, Test Preps, Skill development training, Employment and Careers, and knowledge sharing on the move. Your company has been broadly carrying out business in the four business streams viz., Online retail learning and careers solutions (LAMPSEED), in-campus schools and college support (VIDHYADHANA), Skill development training on employability (EDSEED), knowledge sharing solutions on the move (HUMTHUM). This year, your company has signed up with Gujarat Government on Skill Development Centers (SUCs), with IL&FS education for moving their e-learning contents for K thru 12 into its online portal, with Sreeram Coaching Point (SCP) for CA courses online, among several other such relationships for growth. Your company has sustained margins of business, thanks to the well researched technology-led business model that seamlessly services students and job seekers online with affordable rates using Broadband and easy-to-reach internet enabled devices. Your company has launched a path-breaking solution for humanity to share their knowledge and information on the move using their low-cost smartphones. This product called HUMTHUM has already gained significant acceptance with over 100,000 users downloading its apps from mobile phones. Your company has signed up with SAMSUNG and BLACKBERRY to move learning and career solutions in Mobile phones to reach the unreached in breadth and width of the country.

During the year, your company increased its reach into Schools through Vidhyadhana. Your company has also spread its wings across India with Dealers and Distributors selling the online learning and career solutions through instant and seamless mobile based transfers of credits on payment.

Going forward, your company has plans to multifold its reach to service with a target of 1 Crore user base in the next 1 year with a worldwide reach as target. This is achievable considering the fact that your

Financial Highlights

(₹)in lakhs

Particulars	Audited consolidated financial statement for the year ended March 31st 2011	Audited consolidated financial statement for the year ended March 31st 2010
Total Income	10777.29	5268.30
Total Expenditure	5285.36	2886.69
Profit Before Tax	5491.93	2381.61
Less: Provision for Income Tax	1121.56	436.55
Add(+)/Less(-) Provision for Deferred Tax	201.36	143.05
Profit After Tax	4169.01	1802.01
Less: Provision for Dividend & Dividend Distribution Tax	554.72	421.39
Balance of Profit Carried to Balance Sheet	3614.29	1380.62

company's solutions are now in Mobile phones, Tablets, DTH technologies apart from Laptop and Desktop connecting Internet. Moreover, the Content-on-Lease (CoL) model, another path-breaking solution from your company has ensured that world-class contents and solutions from third-party content owners are portable and usable to the community at large without having to spend time, money, and effort in every such content.

Overall, the year has been a landmark year for the company having grown in revenues, technology, reach and spread, collaborating world-class brands to bring out the learning and career solutions to the needy instantly and seamlessly.

Dividend

Your Directors are pleased to recommend a final dividend of 30% (₹ 3/- per Equity share of ₹ 10/-) for the year ended 31.03.2011. After approval by the shareholders at the ensuing Annual General Meeting, the dividend will be paid in line with the applicable regulation.

Fixed Deposit

During the year under review, the Company has not accepted any Fixed Deposit from the public.

Capital Issues During the Year (upto the date of this report)

1. Allotment of equity shares 2987804 Equity Shares on Qualified Institutional Placement:

During the year the company has allotted 2987804 Equity Shares at a price of ₹ 205/- Per share i.e., ₹10/- each, at a premium of ₹ 195 aggregating to an extent of ₹ 61,24,99,820 to Qualified Institutional Buyers.

2. Issue of 336235 equity shares on preferential basis to Non-Promoters:

During the year the company has issued 3,36,235 Equity Shares at a price of ₹. 214/- per share i.e. ₹ 10/- each at a premium of ₹ 204/- aggregating to an extent of ₹ 7,19,54,290 to the non-promoters of the company.

3. Issue of 11,68,224 Equity Warrants to non-promoters:

During the year the company has issued 11,68,224 Equity warrants at a price of ₹ 214 per warrant i.e., 10/- each at a premium of 204/- per warrant aggregating to an extent of ₹ 25,00,00,000 on Preferential Basis to Non-Promoters.



4. Issue of equity shares 19930 Equity Shares and 467290 Equity Warrants on preferential basis to Non Promoters:

During the year the company had issued 19930 Equity Shares of ₹ 10/- each, and 467290 Fully Convertible Equity warrants of ₹10/- each for cash at a price of ₹ 214/- per warrant/share i.e. ₹ 10/- each at a premium of ₹ 204/- aggregating to an extent of ₹ 10,42,65,080 on preferential allotment basis to the Non-Promoters of the Company.

5. Issue of 155763 equity shares to non-promoter by conversion of fully convertible warrants:

During the year the company had issued 1,55,763 shares of face value ₹ 10/- each for cash at a price of ₹ 214/- per share i.e. ₹ 10/- each at a premium of ₹ 204/- aggregating to ₹ 3,33,33,282/- on preferential basis to a non-promoter.

6. Issued 16,00,000 GDRs underlying 80,00,000 Equity Shares at an Offer Price of USD 14.93 Per GDR (INR 132.49 Per share).

During the year the company had issued 16,00,000 GDRs underlying 80,00,000 Equity Shares at an Offer Price of USD 14.93 per GDR (INR 132.49 per share) aggregating to ₹ 1,05,99,10,560/- to THE BANK OF NEWYORK MELLON, DR.

Subsidiary Company

Vidhyadhana Education P Ltd., is a wholly owned subsidiary company incorporated in the year 2009. The company works with schools in 3 different business models viz., Online ERP services, Hitech School Solutions, Investment based end-to-end infrastructure support solutions. Vidhyadhana has increased its presence this year into a number of schools compared to last year.

A statement in respect of details of subsidiary company viz Vidhyadhana Education Private Limited pursuant to Section 212 of the Companies Act, 1956 is attached herewith to this report.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' report, Balancesheet and Profit & Loss account of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the financial statements of our subsidiaries. The audited annual accounts and related information of our subsidiaries, where applicable, will be made available upon request. These documents will also be available for inspection during business hours at our registered office in Chennai, India. The same will also be published on our website

Directors

Mr.S.Arvind, Director of the company retire at the ensuing Annual General Meeting of the company pursuant to the provisions of Section 255 of the Companies Act, 1956 and he being eligible, seek re-appointment.

Auditors

The Statutory Auditors, M/s. Raj and Ravi, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment for the current financial year. The auditors have expressed their willingness to continue in office if re-appointed. Your Board recommends their re-appointment.

Particulars as required under Section 217(1)(E) of the Companies Act, 1956

A) Conservation of Energy

Though the company has not carried on any manufacturing activities, it had taken steps to conserve energy in its office/godown use, consequent to which energy consumption has been minimized. No additional Proposals/Investments was made to conserve energy. Since the company has not carried on any industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc. Are not applicable.

B) Technology Absorption

The company has not adopted/intend to adopt any technology for its business and hence no reporting is required to be furnished under the heading.

C) Foreign Exchange Earnings & Outgo

- Foreign Exchange earnings : ₹ 31,16,02,000/-
- Foreign Exchange outgo : ₹ 18,11,833/-



Particulars of Employees Pursuant to Section 217(2A) of the Companies Act, 1956

As required under the provisions section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employee are set out in the Annexure to this report.

Directors' Responsibility Statement**The Directors confirm that**

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed
- b) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2011 and of the profit of the company for the year ended 31st March, 2011
- c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The annual accounts have been prepared on a going concern basis.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditor' certificate regarding compliance of the same are made part of this Annual Report and the Employees.

Acknowledgements

The Directors acknowledge with gratitude and wish to place on record their appreciation for the valuable support and kind co-operation extended to the company by the Company's Bankers, Financial Institutions, Government Authorities, Shareholders,

For and on behalf of the Board of Directors

Date: 30.08.2011

Place: Chennai

S.Giridharan
Chairman & CEO

Annexure To Directors' Report

Statement of particulars of employees pursuant to section 217 (2A) of the companies act, 1956.

Name	S.Giridharan	G.Gita
Designation	Chairman & CEO	Managing Director
Remuneration received (₹)	1,00,09,360	8,20,09,360
Nature of employment, whether contractual or otherwise	Resolution passed by the Board and the Members	Resolution passed by the Board and the Members
Other terms and conditions	As per the terms of resolution	As per the terms of resolution
Nature of duties	To manage the day to day affairs	To manage the entire operations
Qualifications and experience	M.S. (System and Information)	M.E. (Computer Science)
Date of commencement of Employment	01.04.07	13.03.01
Age	48	46
Previous employment	Onspec Technology Solutions Pvt. Ltd	Radiant Software Limited
The percentage of equity held	12.09% as on (31.03.2011)	12.09% as on (31.03.2011)



Corporate Governance Report

1. Company's Philosophy on Code of Governance

Corporate Governance is a system by which a corporate entity is directed and controlled in a given economic, political and social environment. It also entails the interplay between different stakeholders of a corporation, viz., Board of Directors, equity holders, employees, customers and government. It deals with how a company fulfils its obligations to investors and other stakeholders. It is about creating shareholders wealth while ensuring a fair play to all other stakeholders and society at large.

- Edserv Softsystems Limited is committed to follow the best practices in the area of corporate governance. The company believes that proper corporate governance facilitates effective management and control of business. This, in turn, enables the company to deliver the optimum results to all its stakeholders.

The Corporate Governance philosophy of Edserv is based on the following principles:

- To enhance shareholders value.
- To protect interests of shareholders and other stakeholders including customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and to achieve excellence at all levels.

2. Board of Directors:

The Board of Directors of the company consisted of two executive and three non-executive Independent Directors as on March 31, 2011

Name of the Director	Designation	Category
Mr. S. Giridharan	Chairman & CEO	Executive Director
Mrs. G. Gita	Managing Director	Executive Director
Mr. S. Arvind	Director	Non-Executive Director
Dr. Ilango Balakrishna	Director	Non-Executive Director
Mr. T. S. Ravichandran	Director	Non-Executive Director

During the financial year 1st April 2010 to 31st March 2011, Six Board Meetings were held on the following date 03.05.2010, 06.08.2010, 30.08.2010, 24.09.2010, 10.11.2010, and 11.02.2011. The Annual General Meeting was held on 29.09.2010. The composition and

membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 01.04.2010 to 31.03.2011 and the last Annual General Meeting held on 29.09.2010 are given below:

Name of the Director	Date of appointment/ Reappointment	Attendance Particulars			Number of Directorships, Committee Memberships (Other than EdServ)	
		Board Meeting	Last AGM	Other Directorships*	Committee Memberships	Committee Chairmanships
Mr. S. Giridharan	01.04.2008	6	Yes	Nil	Nil	Nil
Mrs. G. Gita	01.04.2008	6	Yes	Nil	Nil	Nil
Mr. S. Arvind	03.04.2008	6	Yes	Nil	Nil	Nil
Dr. Ilango Balakrishna	22.04.2008	6	Yes	Nil	Nil	Nil
Mr. T. S. Ravichandran	22.04.2008	5	Yes	Nil	Nil	Nil



NOTE

* Excludes Foreign Companies, Private Limited Companies and Alternate Directorships.

** Memberships in Audit Committee and Shareholders/Investors Grievance Committee are reckoned for this purpose.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

Relationship between directors: Except Mr. G. Gita, who is the wife of Mr. S.

Giridharan, none of the other Directors are related to each other in the company.

Code of Conduct : The Code of Conduct for all the members of the Board and senior management of the Company has been posted on the website of the Company: www.edserv.in.

Reappointment of Directors: Full details seeking reappointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the shareholders.

3. Audit Committee:

The Audit committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. S. Arvind	Chairman	Non-Executive Independent Director
Mr. T. S. Ravichandran	Member	Non-Executive Independent Director
Mr. S. Giridharan	Member	Executive Chairman

Mr. G. Raghavan is the Secretary to the Committee with effect from 1st May 2011.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges and these also confirm to the provisions of Section 292A of the Companies Act, 1956.

During the year ended 31st March 2011, Five meetings were held on the following dates 22.04.2010, 03.05.2010, 06.08.2010, 10.11.2010 and 11.02.2011.

The Attendance of Directors at the Audit Committee Meetings is given below:

Name of the Director	Attendance Particulars	
	Meetings Held	Meetings Attended
Mr. S. Arvind	5	5
Mr. T. S. Ravichandran	5	4
Mr. S. Giridharan	5	5



4. Remuneration Committee:

The Remuneration Committee consists of the following Members.

Name of Director	Status in Committee	Nature of Directorship
Mr. T. S. Ravichandran	Chairman	Non-Executive Independent Director
Mr. S. Arvind	Member	Non-Executive Independent Director
Dr. Ilango Balakrishna	Member	Non-Executive Independent Director
Mr. S. Giridharan	Member	Executive Chairman

The terms of reference of the Remuneration Committee are as follows:

- The Remuneration Committee recommends to the Board the compensation terms of the executive directors.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders

Remuneration Policy:

The remuneration of the Executive Directors is recommended by the Remuneration committee, based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry and responsibilities shouldered. The company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-Executive Directors are not paid any remuneration except sitting fees. Further the company has not entered into any pecuniary relationship or transactions with the Non- Executive directors.

No meeting of the Remuneration Committee was held during the financial year ended 31st March 2011 .

The details of the remuneration paid to the Directors during the financial year 01.04.2010 to 31.03.2011 are given below:

Name of Directors	Basic Salary(₹)	Commission(₹)	PF	Sitting Fees(₹)	As on 31.3.2011	
					No. of Shares Held	% of Holding
Mr. S.Giridharan	6000000	4000000	9360	-	1883434	12.09
Mrs. G. Gita	4200000	4000000	9360	-	1883403	12.09
Mr. S.Arvind	-	Nil	-	70000	Nil	
Dr. Ilango Balakrishna	-	Nil	-	25000	Nil	
Mr. T.S. Ravichandran	-	Nil	-	60000	Nil	



5. Share Transfer and Shareholders / Investor Grievances Committee:

The Share transfer and Shareholders/Investors Grievances Committee was constituted on 22nd April 2008 and comprises the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. T.S. Ravichandran	Chairman	Non-Executive Independent Director
Mrs. G..Gita	Member	Managing Director
Mr. S.Giridharan	Member	Executive Chairman

The scope and function of this committee is to consider and review matters connected with securities, transfers/transmission of shares/issue of duplicate share certificates etc. and to consider and review shareholders' /investors' grievances and complaints and ensure that all shareholder'/investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/legal impediments.

During the Financial Year ended 31st March 2011, 10 investor complaints were received from the shareholders and were replied/redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2011.

Investors are requested to address their complaints if any to the below mentioned e-mail id: investors@edserv.in

Three meeting of the Share Transfer and Shareholders/Investor Grievances Committee was held on 03.05.2010, 06.08.2010, 30.10.2010, 10.11.2010 and 11.02.2011 during the financial year ended 31st March 2011.

6. QIP Committee

The QIP Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. S.Giridharan	Chairman	Executive Chairman
Mr. S. Arvind	Member	Non-Executive Independent Director
Mr. T .S. Ravichandran	Member	Non-Executive Independent Director

The scope and function of this committee is to consider and review matters relating to

- The opening and closing of the QIP Issue
- To do all acts, deeds and things in order to give effect to the proposed QIP

The said Committee met on 06.07.2010 and 13.09.2010 during the financial year 2010-11 for review of QIP issue and allotment of shares on Qualified Institutional Placement.

The Attendance of Directors at the QIP Committee Meeting is given below:

Name of the Director	Attendance Particulars	
	Meetings Held	Meetings Attended
Mr. S. Giridharan	2	1
Mr. S. Arvind	2	2
Mr. T.S. Ravichandran	2	1



7. Preferential Issue Committee

The Preferential Issue Committee comprises of the following members:

Name of Director	Status in Committee	Nature of Directorship
Mr. S. Arvind	Chairman	Non-Executive Independent Director
Mr.T. S. Ravichandran	Member	Non-Executive Independent Director
Mr. S. Giridharan	Member	Executive Chairman

The scope and function of this committee is to consider and review matters relating to

- Issue of fully convertible warrants/Equity Shares to the promoters/Non-Promoters.
- to do all acts, deeds and things in order to give effect to the proposed preferential issue

Three meetings of the Preferential Issue Committee was held on 14.06.2010, 24.11.2010 and 15.02.2011 during the financial year ended 31st March 2011 to consider the allotment of 227273 equity shares on preferential basis of Rs. 10/- each with premium of Rs. 78/- to the promoters, to consider the allotment of 3,36,235 equity shares on preferential basis of Rs. 10/- each with premium of Rs. 204/- to the non-promoters and Issue of 11,68,224 convertible warrants of Rs 10 each with premium of Rs. 204 to Non-Promoters and to consider the allotment of 19,930 equity shares on preferential basis of Rs. 10/- each with premium of Rs. 204/- to the non-promoters and for the allotment of 4,67,290 Convertible Equity Warrants of Rs 10/- each with a premium of Rs. 204 to Non-Promoter.

8. General Body Meetings:

- 1 Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2007-2008	24th April 2008 at 11.00 a.m	No:139, Arcot Road, Kodambakkam, Chennai - 600 024
2008-2009	17th September 2009 at 10:15 a.m	Kamaraj Arangam, No. 492, Anna Salai, Teynampet, Chennai - 600 006
2009-2010	29th September 2010 at 10:15 a.m	Kamaraj Arangam, No. 492, Anna Salai, Teynampet, Chennai - 600 006

- 2 No resolutions have been put through postal ballot so far.
- 3 Special resolutions passed in the previous three Annual General Meetings of shareholders of the company:-

2007-2008 : Special Resolution was passed for

1. Issue of 40,80,000 equity shares of ₹10/- each at a premium on Preferential basis under Section 81(1A) of the Companies Act, 1956.
2. Reappointment of Mrs. G. Gita as Managing Director for a period of three years with effect from 01.04.2008.
3. Appointment of Mr. S. Giridharan as Chairman and CEO for a period of three years with effect from 01.04.2008

2008-2009 : Special Resolution was passed for

1. Issue of 2,27,273 equity warrants to promoters viz Mr. S. Giridharan and Mrs. G. Gita.
2. Increase in Payment of Remuneration to Mr. S. Giridharan, Chief Executive Officer.
3. Increase in Payment of Remuneration to Mrs. G. Gita, Managing Director.

2009-2010: Special Resolution was passed for

1. Issue 3,56,165 Equity Shares at a price of ₹214/- per share i.e., ₹10/- each a premium of ₹204/- per share.
2. Issue of 5,60,748 Equity Warrants of at a price of ₹214/-per warrant i.e., 10/-each at a premium of ₹204/- per warrant on Preferential Basis to Mr.S.Giridharan, Promoter.
3. Issue of 11,68,224 Equity warrants at a price of ₹214/-per warrant i.e., ₹10/--(Rupees Ten only) each at a premium of ₹204/-per warrant on Preferential Basis to Non-Promoters.
4. Payment of 0.75% commission to Non-Executive Directors of the company .

Postal Ballot resolutions passed for:

Issue of equity shares 19930 Equity Shares and 467290 Equity Warrants on preferential basis to Non Promoters on 27th January 2011.



1 Extraordinary General meeting during the last three years:

EGM Date	Time	Venue
09.04.2008	11.00 a.m.	No 139, Arcot Road, Kodambakkam, Chennai - 600 024
14.04.2008	11.00 a.m.	No 139, Arcot Road, Kodambakkam, Chennai - 600 024
10.12.2008	10.00 a.m.	No 139, Arcot Road, Kodambakkam, Chennai - 600 024
19.12.2008	4.00 p.m.	No 139, Arcot Road, Kodambakkam, Chennai - 600 024
11.01.2010	11.30 a.m.	Vani Mahal - Obul Reddy Hall(Mini Hall) 103, G.N Chetty Road, T. Nagar, Chennai – 600 017
25.3.2010	10.15 a.m.	Vani Mahal - Obul Reddy Hall(Mini Hall) 103, G.N Chetty Road, T. Nagar, Chennai – 600 017

No Extraordinary General Meeting was held during the Financial Year under review.

2 Special resolutions passed in the Extra- Ordinary general meeting of the shareholder of the Company held during the last three years:

EGM Date	Special resolutions passed for
09/04/2008	Issue/Allotment of 15,00,000 Equity shares of ₹10/- as bonus shares to existing shareholders in the ratio of 1:0.53
14/04/2008	Issue/allotment of 27,16,800 Equity shares of ₹10/- each as bonus shares to existing shareholders in the ratio of 1: 0.63
	Conversion of the company from "Private" to "Public" pursuant to section 44 read with Section 21 of the Companies Act, 1956.
	Alteration of Articles of Association by deleting existing regulations 1 to 34 and inserting regulations 1 to 208 in its place.
	Alteration of the Objects clause of Memorandum of association pursuant to section 17 of the Companies Act, 1956 by:
10/12/2008	Issue of 1,06,092 equity shares of ₹ 10/- each at a premium of ₹50/- each to Individuals on Preferential basis under Section 81(A) of the Companies Act, 1956
19/12/2008	Public Issue of 39,73,908 equity shares of ₹10/- each at a premium of ₹50/- each under Section 81(A) of the Companies Act, 1956
11/01/2010	Issue of ADR/GDR/FCCB
25/03/2010	Raising of funds through Qualified Institutions Placement (QIP)



9. Disclosures

- a) Related Party Transactions : The necessary disclosures regarding the transactions are given in the Notes to the Accounts.
- b) There are no instance of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to Capital Markets during the last three years.
- c) Whistle Blower Policy: The Company does not have a Whistle Blower Policy. However steps are being taken to formulate the same. No employee of the company has been denied access to the audit committee.
- d) The company has complied with the mandatory requirement of the revised Clause 49 of the Listing Agreement and the compliance of the non – mandatory requirements as given in Point no.13 below.
- e) The statement of utilisation of QIP issue as on March 31, 2011 is given below.

(₹)In lakhs

S. No.	Particulars	Estimated cost as per Prospectus (excluding contingencies)	Actual amount Expended/Invested
1	School Content Development / Acquisition K-12 (EdSchool)	1296	854
2	Student / School Mgmt System, Gaming content solutions (EdSchool)	1000	256
3	LAMP5 upgrade for EdCademy / EdSchool integration	108	120
4	Higher end education content (260 subjects of Engg and 170 mgmt) (EdCademy)	1720	678
5.	Facility for EdClass, LAMPS, OPENWEB dev & admin (EdCademy)	1200	215
6.	EdLabs and infrastructure (20x45k+20x15k) (EdSchool)	2400	690
7.	Working capital	1200	557
8.	Government PPP - MES, ITI, ITC, VTP (EdCenter)	1200	295
9.	Promotions (EdCenter / EdCampus / EdCademy)	1200	250
10.	QIP Expenses	350	360
11.	Contingency	450	350
12.	Amount available in the current account and fixed deposit		1500
	TOTAL	12124	6125

S.No.	Nature of issue	Amount in (₹)	Purpose of Utilization
1	Preferential issue of 227273 Equity Shares on conversion of warrants at a price of Rs. 88/- per share i.e. ₹10/- each with a premium of ₹ 78 to promoters	1,50,00,000	Brand Building & Business Promotion
2	Preferential Issue of 16,35,514 Equity warrants at a price of ₹ 214 per warrant i.e. ₹ 10/- each with a premium of ₹ 204 to Non-Promoters	8,75,00,000	Brand Building & Business Promotion
3	Preferential Issue of 356165 Equity Shares at a price of ₹ 214/- per share i.e. ₹ 10/- each with a premium of ₹ 204 to Non-Promoters	7,62,19,310	Content & Business acquisition of School ERP & Test Preps
4	Preferential issue of 1,55,763 Equity Shares at a price of ₹ 214/-i.e. ₹ 10/- each with a premium of ₹ 204 on conversion of warrant to non-promoters	2,50,00,000	Brand Building & Business Promotion
	TOTAL	20,37,19,310	



10. Means of Communication:

Quarterly results	Quarterly financial results of the company are published in the "Business Line" and "Makkal Kural"
Any website where displayed	BSE and NSE sites
Whether it also displays official news releases	Yes
Presentations made to Institutional Investors or to the Analysts	Yes

11. Management Discussion and Analysis Report:

Management Discussion and Analysis Report forms a part of this Report.

12. General Shareholders Information:

i. Annual General Meeting : 29th September 2011 at 11:00 a.m at Kamaraj Arangam, No. 492, Anna Salai, Teynampet, Chennai - 600006

ii. Financial Calendar Year : 1st April 2010 to 31st March 2011

Book – Closure Dates: Friday the 23rd September 2011 to Thursday the 29th September 2011 (both days inclusive)

iii. Dividend Payment Date: Commencing from 5th October 2011 - to be completed within the mandatory time limit.

iv. Important dates of announcements of company's activities:

Results for the quarter ending 30th June, 2011	Second week of August 2011
Results for the quarter ending 30th September 2011	Second week of November 2011
Results for the quarter ending 30th December 2011	Second week of February 2012
Results for the quarter ending 31st March 2012	Second week of May 2012
Annual General Meeting	Fourth week of September 2012

v. Listing on the Stock Exchanges : The Equity shares of the company are listed on the Bombay Stock Exchange and National Stock Exchange.

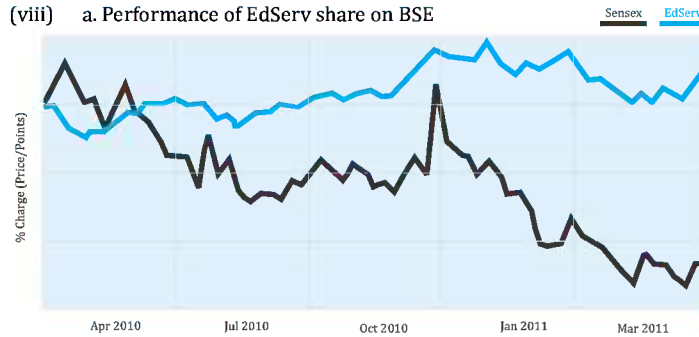
vi. Stock Market Data : High and Low quotations of the Company's shares during the period 1st April 2010 to 31st March 2011.

Bombay Stock Exchange Limited		
Month	High Price	Low Price
April 2010	243.90	193.40
May 2010	240.70	174.15
June 2010	217.00	179.50
July 2010	225.80	193.00
August 2010	224.30	190.00
September 2010	296.90	191.00
October 2010	292.00	202.00
November 2010	234.90	179.10
December 2010	201.00	148.30
January 2011	182.90	130.00
February 2011	159.80	105.00
March 2011	143.40	120.00

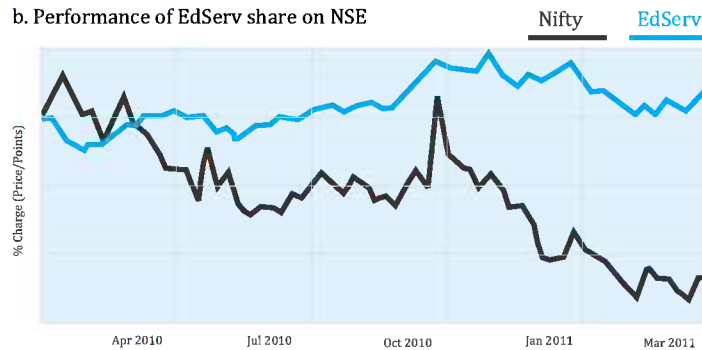
National Stock Exchange Limited		
Month	High Price	Low Price
April 2010	243.95	194
May 2010	240.9	174.1
June 2010	216.2	180.10
July 2010	225.75	193.10
August 2010	224.8	191
September 2010	296.8	192.1
October 2010	300	202.55
November 2010	234.90	175
December 2010	201.2	148.2
January 2011	182.65	131.05
February 2011	159.75	103.55
March 2011	143.5	120.2



(viii) a. Performance of EdServ share on BSE



b. Performance of EdServ share on NSE



(viii) Registrar and Share Transfer Agents: M/s. Karvy Computershare Private Limited

(ix) Address for communication : Karvy Computershare Pvt. Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur ,Hyderabad - 500 081., Tel : 040-44655000, Fax : 040-23420814 ,Email : einward.ris@karvy.com

(x) Share Transfer System: Share transfer documents received by the Company will be processed, approved and kept ready for despatch within 30 days from the date of the receipt.

(xi) De materialisation of shares : The shares of the company have been admitted for de-materialisation with NSDL and CDSL. The ISIN No. is INE889J01019. 99.82% of the Company's paid up Equity Share Capital has been de-materialized up-to March 2011.

(xii) Shareholding Pattern as on 31.03.2011:

Category	No. of Shares	Percentage(%)
Promoter group	3819903	24.52
Bodies Corporate	5697739	36.58
Public	5846432	37.53
Clearing Members	50613	0.32
NRIs	162555	1.04
Total	15577242	100.00%



(xiv) Distribution of Shareholding as on 31.3.2011:

Category	No. of Shareholders	% to total	Shareholding (in ₹)	% to total
1 - 5000	18635	90.42	20099930	12.90
5001 - 10000	972	4.72	7821510	5.02
10001 - 20000	490	2.38	7406450	4.75
20001 - 30000	159	0.77	4074200	2.62
30001 - 40000	94	0.46	3345590	2.15
40001 - 50000	73	0.35	3417550	2.19
50001 - 100000	111	0.54	8222310	5.28
10000 & above	76	0.37	101384880	65.09
Total	20160	100.00	155772420	100.00

(xv) Address for Correspondence : I Floor, Panna Plaza, New No. 139, Arcot Road, Kodambakkam, Chennai 600 024

(xvi) Email ID for Investor grievance redressal : investors@edserv.in

13. Non-mandatory Requirements

- a) Board : The Company maintains the office of the Executive Chairman at the Registered Office of the Company.
- b) Remuneration Committee : The Board has duly constituted a Remuneration Committee, which determine the remuneration package for the Directors.
- c) Shareholder's Right: Quarterly financial results are published in the " Business Line" and "Makkal Kural".
- d) Audit Qualifications: There are no qualifications by the auditor in the financial statements of the company.
- e) Training of Board Members : Periodical meetings are held with outside skilled consultancy agencies for the Board members to appraise them in recent developments and existing laws and practices.
- f) Mechanism for evaluating non executive Board Members : Same as above.
- g) Whistle blower Policy: As mentioned earlier, steps are being taken to formulate the Whistle Blower Policy by the company.

14. Code Of Conduct

We hereby declare that the code of conduct for all the members of the Board and senior management of the Company has been posted on the website of our company at www.edserv.in and all Board and senior management have affirmed compliance of the Code

For and on behalf of the Board of Directors

Place: Chennai
Date : 30.08.2011

S. Giridharan
Chairman & CEO



CEO / CFO Certification

To

The Board of Directors,
Edserv Softsystems Limited
Chennai.

We, S.Giridharan, Chairman and Chief Executive Officer and G. Gita, Managing Director of Edserv Softsystems Limited to the best of our knowledge and belief certify that:

1. We have reviewed the balance sheet and profit and loss account, (consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the cash flow statements for the year ended, 31st March 2011.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make statements made, in light of the circumstances under which such statement were made, not misleading with respect to the statements made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respect, a true and fair view of affairs of the company, the financial condition, results, of operation and cash flows of the company as of, and for, the period presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the code of conduct of the company.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing the equivalent functions)
 - a) Significant changes in internal controls over financial reporting during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal controls systems over financial reporting.

S.Giridharan
Chairman & CEO

G.Gita
Managing Director

Place : Chennai
Date : 30.08.2011



Auditors' Certificate On Compliance With The Conditions Of Corporate Governance Under Clause 49 Of The Listing Agreements

To the Members of
Edserv Softsystems Limited

To the Members of
EdServ Softsystems Limited

We have examined the compliance of the conditions of Corporate Governance of EdServ Softsystems Limited for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examinations were limited to the procedures and the implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, during the aforesaid year, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that as at 31st March 2011, no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company and produced for our verification.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAJ AND RAVI
Chartered Accountants

V.RAJ
(Membership No.23211)
Partner
Firm Registration No.010935S

Place: Chennai
Date: 30.08.2011



Management Discussion and Analysis

EMPOWERING THE CHANGE

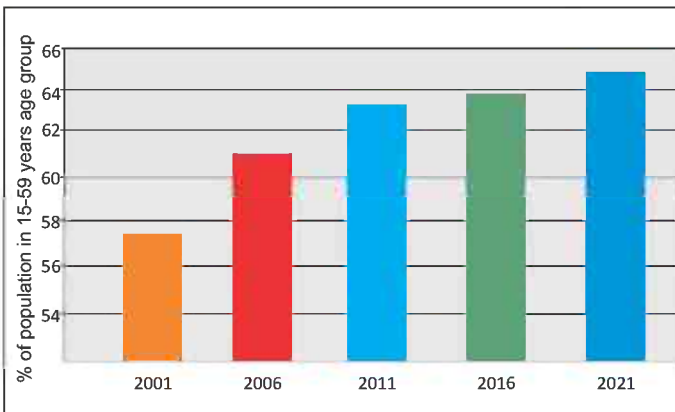
Operating in an industry that has the power to change the very lives of people, EdServ is poised as a noticeably upcoming player in this green field, technology driven learning. It takes in the vast industry of education in India and firmly places its focus on empowering the 'Real India' with its carefully designed products and learning aids.

RECOGNIZING INDIA'S RICH HUMAN RESOURCES

India is a nation of young people - out of population of above 1.1 billion, 672 million people are in the age group 15 to 59 years, which is usually treated as the working age population. It is predicted that India will see a sharp decline in the dependency ratio over the next 30 years, which will constitute a major demographic dividend for India. In the year 2001, 11% of population of the country was in age group of 18-24 years which is expected to rise to 12% by the end of XI Five Year Plan. This young population should be considered as an invaluable asset, which if equipped with knowledge and skills, can contribute effectively to the development of the national as well as the global economy. EdServ's vision is to realize India's human resource potential to its fullest in the education sector, with equity and inclusion.

LEVERAGING THE ADVANTAGE OF DEMOGRAPHY

We're talking about the advantage of India's demographic dividend. This refers to India's favorable demographic profile, where in just 15 years, the



Source: Office of the Registrar General & Census Commissioner (RGCC)

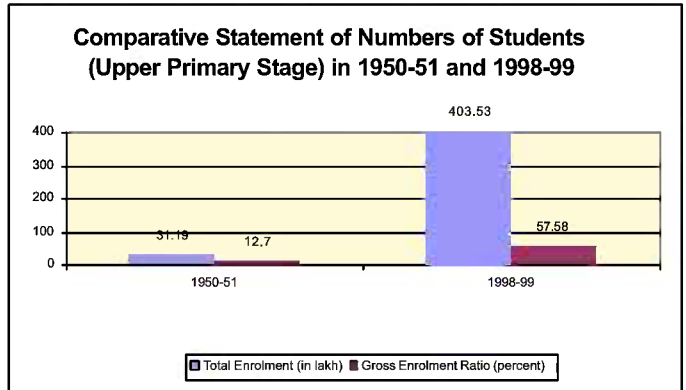
country will have one of the youngest populations in the world, a bulk of it in the working age group (20-59 years). India will be adding about 150 lakh people to its workforce age group of (20-59 years) providing for higher incomes, better standards of living and increased quality of life. Research has shown that the reasons why students drop out of Higher Secondary schools can be split into two. The first is economic, where the student has to either go to work or simply stop education itself as they cannot afford it.

The second relates to the low quality of their Primary & Secondary education, which have not prepared the him/her for higher studies. Considering the above, EdServ cannot but take a holistic view of education in India, as it plans for the long haul in so far as the opportunities available for the company and, of course, the challenges facing it.

PRIMARY EDUCATION FOR ALL

Elementary education is recognized as the foundation of the development of

every citizen as also of the nation as a whole. It is in this spirit that universalisation of elementary education has been enshrined in the constitution and sustained efforts have been made to achieve this target during the last six decades. There is no doubt that planned interventions in this direction have resulted in very substantial progress in improving the access, participation and retention of children. Special schemes and programs have been initiated to reduce the regional, spatial, social and gender disparities in education. In the year 2009-10 the movement for education for all received a major fillip through the enactment of the Right of Children to Free and Compulsory Education Act 2009.



SARVA SHIKSHA ABHIYAN (SSA)

The Government of India's unstinted efforts in seeking the cooperation and partnership of the public & private sector in fulfilling the target of Universal Elementary Education has witnessed an enormous increase in number of institutions and enrollment. This is where EdServ can enter the arena and help take the nation forward by strengthening the hands of the government- thanks to the issue of universal access to primary education being relentlessly and successfully addressed through the Sarva Shiksha Abhiyan program. The gross enrollment ratio (GER) has increased to 114.61 at the primary level and to 77.50 percent at upper primary level in 2007-08. The Gender Parity Index improved to 0.98 at primary level and to 0.92 at upper primary level in 2007-08. The dropout rate has considerably come down by to 25.55% in 2007-08 at primary level. The pupil teacher ratio is 46:1 at primary and 35:1 at upper primary level. With respect to enrolment of Children with Special Needs, 29.57 lakh children were identified and 24.77 lakh children were enrolled in schools by 2009-10.number of institutions

SECONDARY EDUCATION FOR ALL

Secondary education is an important stage of the school education system, being a link between the elementary education and the higher education as well as a stepping stone for many, to the world of work. The major challenge before the Secondary Education sector is to cope with the demands of the continually expanding universe of knowledge and the changing demands of industry, business and service sector for higher quality of manpower. It is in this context that universalisation of secondary education has been made an important goal so as to achieve universal access by 2017 and universal retention by 2020. It's this scenario that offers tremendous scope for EdServ in ensuring that these efforts on the education front bear timely fruit.

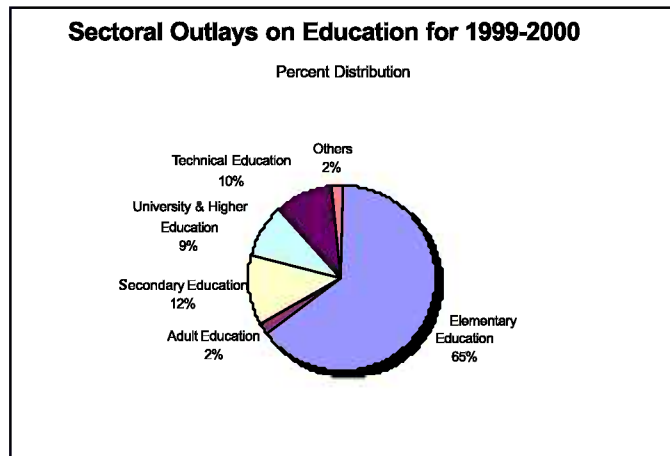


RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN(RMSA)

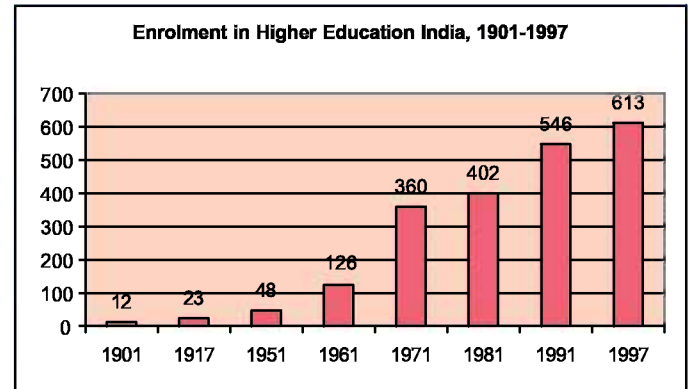
During the XI Five Year Plan secondary education has been accorded relatively high priority in the development agenda of the country keeping in view the demographic profile and the need of a knowledge society and economy. In order to give concrete goal-oriented shape to the efforts, Government of India launched a comprehensive centrally sponsor scheme called Rashtriya Madhyamik Shiksha Abhiyan (RMSA), in March 2009, with the objective to make good quality secondary education available, accessible and affordable to all young persons, irrespective of gender, socioeconomic condition, disability, geographical and other barriers. The present aim is to have a secondary school of acceptable norms and standards within 5 km of every habitation in the country.

HIGHER EDUCATION FOR ALL

Transition to higher education for an individual implies higher personal returns over life time and for a nation, an addition to human and social capital with potential benefit to society. Therefore, higher rate of transition from secondary to higher education is an index of progress and prosperity to the nation. The global statistics on education reveal that different nations are at different stages of development in terms of access to higher education. While the world average of the Gross Enrolment Ratio (GER) in higher education is around 26.7%, the average of the developed countries is approximately 57.7% and that of the developing countries is only 13%. India's Gross Enrolment Ratio in higher education, which is 12.4% needs to be raised to a significant level in a time bound manner to 15 percent by the end of XI Five Year Plan and to 21 percent by the end of XII Five Year Plan. EdServ believes that it has got an important role to play at this crucial juncture in not only helping in the transition to higher education but also in keeping the drop out rate in check. Ways will also have to be found to provide increased funding for higher education, including innovative models of public-private partnership to seek private, not for profit participation in higher education, without compromising on equity and excellence.



The process of expansion in higher education has to be inclusive and not a selective one. All categories of society, rich or poor, privileged or marginalised, must find their way into the portals of higher learning based on their talent. In order to reap benefits of demographic dividend of India, access, equity and quality have been major concerns of the Government in the higher education sector. Some of the important policy initiatives in higher education are establishment of new institutions, programs for general development of universities and colleges, special grants for the



Source: Higher Education in India: Vision and Action: Country Paper, Indian National Commission for Cooperation with UNESCO, Department of Education, MHRD, GOI, New Delhi.

construction of hostels for women; scholarships to students, scheme to provide interest subsidy on educational loans for professional courses to ensure that nobody is denied professional education because he or she is poor, interventions to attract and retain talent in the teaching profession in higher and technical education; emphasis has been laid on expansion with equity, use of information & communication technology, and promotion of quality education.

HIGHER EDUCATION PROGRESS OVERVIEW

Government of India has taken major initiatives in academic and institutional reforms in higher education sector during the year 2009-10 which marks a paradigm shift in the development of higher education. A National Commission/Council for Higher Education & Research is proposed to be established as an apex body for determination, coordination and maintenance of standards and promotion of higher education and research.

All this augurs well for EdServ which is ensconced at a vantage point when it comes to development & delivery of learning & job linked modules. Indeed, the sheer size and space of the Indian education market that is simply waiting to be tapped is mind boggling. At present there are 504 universities and university level institutions, 243 state universities, 53 state private universities, 40 central universities, 130 institutions deemed to be universities, 33 institutions of national importance established under Acts of Parliament, 5 Institutions established under various State Legislation. There are 25,951 colleges including approximately 2565 women's colleges. At the beginning of academic year 2009-10, the total number of students enrolled in the universities and colleges has been reported at 136.42 lakhs – 16.69 lakhs (12.24%) in university departments and 119.73 lakhs (87.76%) in affiliated colleges. The enrolment of woman students was 65.49 lakhs constituting 41.40% of the total enrolment. The number of doctoral degrees awarded in 2007-08 was 13,237. The regular faculty strength in universities was 0.90 lakhs and 4.98 lakhs in colleges, totaling 5.89 lakhs at the beginning of 2009-10. There are 66 Academic Staff Colleges engaged in faculty training.



Score High, from K

No more worries in finding the best tutor to teach the mos



Edserv unveils www.lampsglow.com the unique learning store on the web. There's something secondary, engineering, jobs, and many more, all which you can access from ₹199/- onwards

Come on now... break from blah learning, be in IITJEE, or ENGINEERING, once and for all !

Courses | Assessments | Live Tutorials | Test Preps | 1000 Sure shot questions



044-39885533
(7.00am to 9.00pm)

CONTACT OUR DEALERS TO PAY AN

BHIWANDI: Kahler: 9224235941 Kasar Ali: 9323606436 Tal Bhiw
Nagar: 9967402040 Kandivalli East: 9322402217 Sector 17: 9833
Bazar: 7875158336 Tal Murbad: 9272693340 NAVI MUMBAI: 996
THANE: 9869074856

EdServ Softsystems Limited, New No. 139, Panna Plaza, I Floor, Arcot Road, Kodamba

KG to PG

at crucial subjects and courses.



ing for everybody, from kg to pg. From playschool, primary, secondary, higher
ds.

, AIEEE, CA-CPT, CA inter and final

| Unlimited model tests | Videos | National Rank Prediction | Lectures

ID ACCESS ONLINE

andi: 9890235482 MUMBAI: Anand
619436 MURBAD: Krushi Utapanna
7869498 RATNAGIRI: 9860227760

lampsglow.com
Learning Untied

www.lampsglow.com

akkam, Chennai 600 024. INDIA.

CHANGE THE WAY YOU TEACH AND THEY LEARN !



FREE*
Math Lab &
Digital Spoken
English Kit

*Conditions Apply

m1

Bring **HI-TECH LEARNING** solutions as a part of curriculum

When Learning Smart is order of the day, we believe, Smart Learning is need of the hour.

Empower your school with multimedia teaching and define your student's competencies for the future. Presenting the HI-TECH Smart learning solutions from Vidhyadhana, the first-of-its-kind multimedia enabled teaching solutions for schools to support the day-to-day academic needs and to craft both teaching and learning easier.

Get hands-on-feel of the Hi-Tech education solutions and be a part of global standards.

- | Multimedia Content Projection System | Internet Connectivity |
- | Multimedia content for all subjects upto 12th Std. |
- | School Management Software (ERP) | Academic Support for Staff |
- | 200 hours foundation courses for IIT-JEE, AIEEE, CA-CPT, Engg., Medical |

Call 9500064438, 8754408844 for further details

Email: vidhyadhana@edserv.in
www.vidhyadhana.com

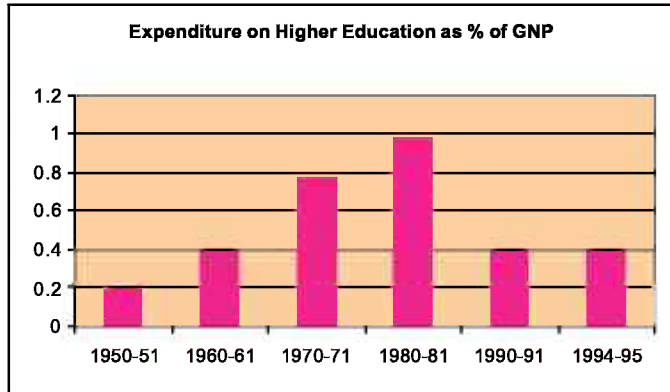


Vidhyadhana

ACADEMY FOR INDUSTRY DEMAND ALIGNMENT

PROFESSIONAL EDUCATION IN INDIA

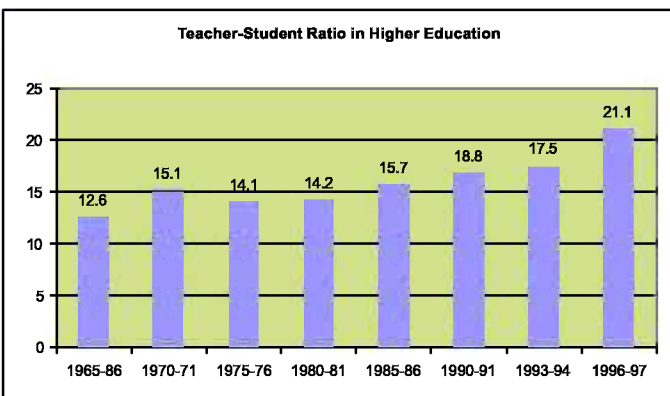
With more than 500 universities and deemed universities, over 15,000 colleges and hundreds of national and regional research institutes and with the Indian higher education and research sector being the third largest in the world in terms of the number of students it caters to, higher education in India is yet to attract the recognition it should rightfully deserve. This is more so at a time when India is aiming to be an important player in the emerging knowledge economy.



It's true that there is no company or institute in the world that has not benefited by Indian graduates, post-graduates or Ph.D.s- be it NASA, IBM, Microsoft, Apple, Intel, Bell, Sun, Harvard, MIT, Caltech, Cambridge or Oxford, and not all those students are products of our IITs, IIMs, IISc/TIFR or central universities, which cater to barely one per cent of the Indian student population. This goes to suggest that Indian higher educational institutions have not been able to achieve the same status for themselves as their students seem to achieve elsewhere with their education from here these very institutions. This is exactly where Edserv believes it should step in to remedy the situation by helping the students slake their thirst for knowledge right here in India and thus stanch the brain drain that denies these campuses of its brilliant research minds.

EMPLOYABILITY FOR EMPLOYMENT

Productive employment generation with decent work conditions is an important concern not only for the national employment policy but also for the national agenda of inclusive growth. Although the overall economic growth achieved by the Indian economy, particularly during the



Source: Higher Education in India: Vision and Action: Country Paper, Indian National Commission for Cooperation with UNESCO, Department of Education, MHRD, GOI, New Delhi.

current decade, has been impressive, employment growth has not kept pace. This has significantly limited the trickle-down effect and widespread distribution of the benefits of the high economic growth. At a time, when India is aiming to achieve double-digit economic growth, commensurate employment growth assumes crucial importance from the point of view of sustaining overall high growth in the medium to long term, distributing the benefits of growth, and impacting the rate of poverty reduction in the country.

Currently, India is passing through an unprecedented phase of demographic changes. The on going demographic changes are likely to contribute to an ever increasing size of labour force in the country. The census projection report shows that the proportion of population in the working age group (15-59 years) is likely to increase from approximately 58% in 2001 to more than 64% by 2021. In absolute numbers, there will be approximately 63.5 million new entrants to the working age group of 15-59 years between 2011 and 2016. So the need of the hour is two fold, more jobs and more skilled applicants per job.



Source: MoL&E, and Planning Commission

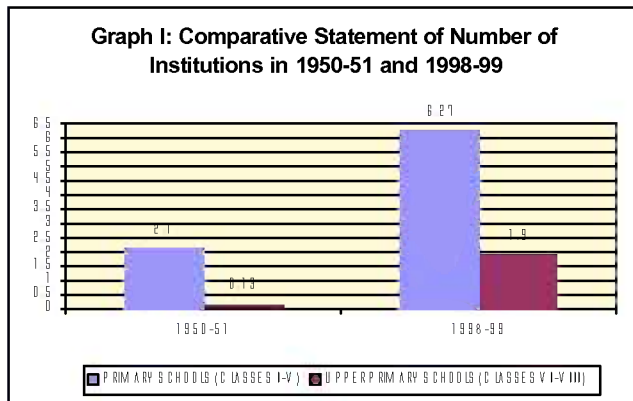
It is important to note that the bulk of this increase in the population is likely to take place in relatively younger age group of 20-35 years. Such a trend would make India as one of the youngest nations in the world. In 2020, the average Indian will be only 29 years old, compared to 37 in China and the US, 45 in West Europe and 48 in Japan. This trend is seen significant on the grounds that what matters is not the size of the population, but its age structure. A population bulge in the working age groups, however large the total population, is seen as an important advantage characterized as a demographic dividend. Hence, this report, inter alia, aims to focus on the young age groups and suggest ways and means to economic growth of the country.



Accordingly, skill development of youth has immense implications for labour market in general and inclusive growth in particular. In India, the recent demographic dividend can best be harnessed by significantly enhancing levels of skills among workers. It is with this perspective that India has set an overall target of creating 500 million skilled workers by 2022 and this is one of the key areas where Edserv intends to make a significant contribution.

VOCALIZING VOCATIONAL TRAINING

India's education system has undergone significant capacity expansion over the last decade. Most of it has been in the higher education and K12 space. The action on vocational training, which is a critical industry demand, is a recent development. India's vocational training structure is informal and apprenticeship driven. This is proving woefully inadequate in terms of quantity as well as quality. India needs to train 70 million people in vocational skills over the next five years. Besides, there is need to retrain another 360 million workers. The Government of India is targeting to train 500 million people by 2022 and is encouraging participation of entrepreneurs and private organizations in the space.

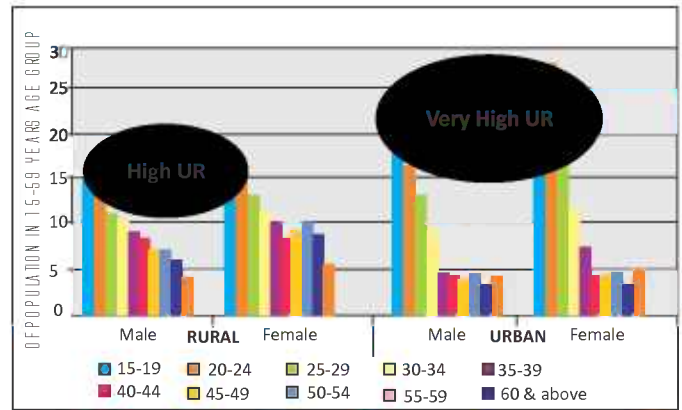


Indeed, the demand spans across various sectors — construction, mining, agriculture, power, automotive, retail, hospitality, logistics, healthcare and so on. Each sector requires manpower with varied skills representing an entire spectrum of training opportunity. A conservative estimate puts this opportunity at a whopping Rs 350,000 crore over the next 10 years. EdServ intends to be in the thick of the action when it comes by being involved in encouraging institutes for developing human resources to reduce the mismatch between demand and supply of manpower in the various sectors. Also, it would make it its mission to reduce unemployment among youth by equipping them for suitable industrial, self & wage employment programs through well designed formal & non formal vocational education & training modules at.

It will also establish links with industry, Institutes & R & D organizations for its students so as to reap mutual benefits.

MOBILE EDUCATION IN INDIA

EdServ believes mobile phones can play a significant role in imparting education in India. The importance of this medium is slowly but steadily being realized by players in the telecom industry, who are now developing the necessary applications to work towards mobile education (m-education or m-learning). Since the mobile learning space is still evolving, there is no industry calibration on the size of the market, as it is still evolving. However, an estimate on mobile value added service in India by IAMAI/IMRB puts the numbers at Rs 5,780



Source: Unemployment calculation from NSSO Data

crore annually in June 2008. The report estimates the VAS industry has a potential to reach Rs 16,520 crores soon.

Several telcos have started offering m-education services such as English lessons, dial-in tutorials, school syllabi, question sets, vocabulary general knowledge tutorials, exam tips, exam result alerts and education for the physically challenged. The apps also allows user access to content in areas of engineering, management, civil services and medicine, school syllabi of CBSE and ICSE boards as well as skill development, vocabulary and general knowledge tutorials. There is a definite appeal in game-based learning using mobile phones also, though this has not been explored in India so far. However, with increasingly-capable hardware and connectivity available and dropping costs, it's only a matter of time before learning games on mobile become commonplace. Mobile has emerged as a viable medium for basic education, though the learning space is completely new and is waiting to grow. There is a lot of opportunity but there is a need to find the right content. Touch screen and large screen formats will do wonders, but they need to be made available at cheaper rates. With good network and connectivity edu-content providers can contribute hugely to keep the lamp of education and literacy burning brightly in India.

Speaking about how mobile learning can evolve further, Sangeet Chowla, executive vice-president, Comviva, a Gurgaon based provider of integrated VAS solutions for telecom operators worldwide says, "The learning experience on mobile phones can change dramatically if interactivity comes in. With a higher bandwidth, m-learning has the opportunity to get much more interactive. Use of video clips to explain a procedure such as how to change a car tyre, training of employees and vocational stuff will be a big opportunity area. Companies will make use of mobiles for employee training. Enterprise learning is a huge opportunity." With such a viable medium available to revolutionize the delivery of education, while at the same time generate high revenues, EdServ is all set to harness it in a big way. It plans to integrate mobile applications into lampsglow.com to offer them on pay-as-you-use basis into the smart phones by teaming up with leading mobile phone providers and cellular service providers. This smart applications on phones will help achieve widespread reach of EdServ's applications to every user segment's requirements- be it education, entertainment, or job placement on the move.



same time generate high revenues, EdServ is all set to harness it in a big way. It plans to integrate mobile applications into lampsglow.com to offer them on pay-as-you-use basis into the smart phones by teaming up with leading mobile phone providers and cellular service providers. This smart applications on phones will help achieve widespread reach of EdServ's applications to every user segment's requirements- be it education, entertainment, or job placement on the move.

BUSINESS OUTLOOK & FUTURE PLANS

ADVANTAGE NextGen EDUCATION

Education has evolved through generations. The earlier generations failed to provide the much needed bridge between academics and industry leading to a heavy demand-supply mismatch. The First Generation being the Gurukula type of on-the-job-learning with a one-to-one guru-student relationship. It is not scalable anymore. The Second Generation sought excellence in education with a high demand and very low supply chain. This too is no more applicable, due to an excess pool of resources. The Third Generation that tries to bridge the academy-industry divide with a huge demand-supply dynamic is unfortunately thoroughly mismatched. The Fourth Generation is technology-led, more authentic than ever before, affordable, promises scalability in quality and numbers and is skill matched, need based, industry vetted, and assessment driven education that leads to Industry Demand Aligned (IDEA) careers for the child.

In this challenging scenario of educating the Next Gen of Leaders, EdServ has a bold and inspiring vision for the twenty first century —one that can be achieved with the participation of a truly great student community and an enabling Government. At EdServ, we embrace this challenge with enthusiasm and with our own compelling vision for the future of education among the youth. We start with the conviction that tomorrow's world will be one in which the stakes are higher than ever before for organizations, and that performance matters. However global society evolves, managed organizations —public and private —will continue to drive the production and delivery of goods and services. When organizations perform well, people live well. When they perform poorly, people suffer. The responsibility to make the vital difference rests in the hands of those organizations, whose ambition will be to seek global solutions to educate the great leaders of the next generation.

REINVENTING EDUCATION

To address the challenges of a changing world, EdServ is reinventing education for a new generation. Its introduction of bold new curricula for the various programs takes advantage of not only the alacrity & intellectual potential of India's GenNext, but also its own intimate scale and collaborative nature, and customizes learning to each individual student's interests and experience level. It emphasizes more in-depth and experiential learning —in part made possible through the expansion of small-group seminars, intensive faculty advising for each

student, new opportunities for collaboration with all of EdServ's other programs & services and a truly global perspective. We strive to instill in our students a mindset that encompasses the four critical components embodied in our academic ethos - entrepreneurship, social impact, global awareness, and leadership.

KG2PG ONLINE

In India, online education has got tremendous scope, though currently it is in its primitive stages. A number of educational institutes have however, adopted the process in matters of online admission and online result announcement. But the method of actually teaching online is relatively slow in India, not withstanding the fact that some institutes are already conducting their exams online. Reputed national institutes like IIT Mumbai, IIM-Kozikode & IGNOU are providing some courses through online.

With the admissions in regular university courses becoming highly competitive due to limited number of seats available in specialized professional courses, the country is seeing an increase in students enrolling for on line courses. EdServ is fully equipped to leverage this important shift in the way education is to be delivered in the future- right from kindergarten to post graduation.

ACADEMICS - LEARNING UNTIED

With 3G spectrum, low cost laptops & smart phones becoming part of our every day life, learning is truly untied. Test preparations, live tuitions and board preparations using online rendering have become more authentic, reachable than ever before. Web based learning anywhere, anytime has also become more affordable. The student of tomorrow has the world in his pocket. Online education is the way to go- that's the days' headline! With affordability and reach, the NextGen is sure to get onto online learning anywhere, anytime as the right education support.

The paperless future is here already, to save nature. It will be classroom-less to save commuting time and effortless, because it is at your convenience. Today, with easier access to the Internet and faster speeds, learning online is a breeze.

While, in India, it is still imperative that a student goes to school/college and attend classes regularly, it is the additional education, preparation for professional courses and knowledge gathering that takes up time if the student has to go physically to such institutions. Online education, coaching and training classes have mushroomed all over the country providing every kind of aid for a student to prepare for a career of his choice. EdServ, with its online educational web portals like lampsglow, 2tion.com, EdCademy, SmartLearn, EdCampus, Sparkling Minds & EdCenter, we are comprehensively equipped to take advantage of the changing trends.

SKILL DEVELOPMENT TRAINING

In spite of the fact that India is a fast developing economy, difficulties have led the Government to conclude that far more needs to be done to engender more employment opportunities for the majority of Indians, to enable them to participate in the benefits of growth and to contribute to that growth. To do this they must have education and training that equips them for the labor market. One of the sources of the skilled workforce is the vocational education and training system. However, the government realizes that the system is not being able to appropriately respond to the needs of the labor market. A key issue, then, is what reforms are needed to improve the effectiveness of the system. On the one hand India faces the future with its changing realities, on the other hand it must deal with the nature of its established traditions and structures.



Changing realities – globalization, competitiveness and the knowledge economy India's transition to a knowledge-based economy requires a new generation of educated and skilled people. Its competitive edge will be determined by its people's ability to create, share, and use knowledge effectively. A knowledge economy requires India to develop workers-knowledge workers and knowledge technologists - who are flexible and analytical and who can be the driving force for innovation and growth. To achieve this India needs a flexible education system: basic education to provide the foundation for learning; secondary and higher education to develop core capabilities and core technical skills; and further means of achieving lifelong learning. The education system must be attuned to the new global environment by promoting creativity and improving the quality of education and training at all levels. Countries that have had the most rapid increases in educational attainment, as well as sustained economic growth, have upgraded education sequentially. In a globalized economy, a large pool of skilled workers is indispensable for attracting foreign direct investment. Developing skilled workers enhances the efficiency and flexibility of the labor market; skills bottlenecks are reduced, skilled workers are more easily absorbed into the economy, and their job mobility is improved. It is crucial to invest in quality secondary and higher education and in vocational education and training (VET) if India's economy is to develop and remain competitive in world markets.

Established Realities – Demographic Pressures & Financial Constraints

India's ability to deal with these changing realities is constrained as in few other places. While its population growth rate has declined over many years the labor force is still projected to grow by close to 2 percent or some 7 million or more a year over the next few years. Much of the economy and much of the population are still rooted in traditional activities and structures. Significant elements such as the cultural, social and political traditions of the country should, of course, be retained and education has a particular role to play in that. But other aspects should change if people are to move out of poverty. Over half of the labor force is still engaged in rural activities. Although there has been a significant movement away from agriculture this has still left most of the labor force, over 90 percent, working in the informal sector, much of it at low levels of productivity. For this majority group, access to secondary education and VET is crucial and for most of them secondary education and VET will be the last stage of their formal schooling. An effective school to work transition for these young people, made possible by higher quality secondary and tertiary education and VET, will improve their employment prospects and lifetime earnings.

This is exactly where a collaboration between EdServ, through its EdCademy MODES and the Ministry of Labour & Employment will throw up exciting solutions to this problem. The Government's initiative to develop vocational training and skill development namely MES has been in close consultation with industry, state governments and experts. MES is minimum skills which is sufficient to get an employment in the labour market. To facilitate MES, EdServ works with the Ministry of Labour & Employment across the country, besides being a VTP for Chennai and Hyderabad regions. Through EdServ's widening partner/dealer base, EdCenters can now be accessed in more places than ever. Here anybody with academic/career mismatch, irrespective of their socio-economic, academic or job status can register with EdCenter and choose online the services and support that they require

seamlessly. According to the Indian President Pratibha Patil in her 2010 address at IGNOU, Delhi, only five percent of the workforce in India has some kind of certification. This is in contrast to over 85 percent in the developed countries. To drive home the point further, the need of the hour may not be the much vaunted FDI that promises more jobs in India but rather trained Indian jobbers. The same refrain is repeated across industries, from automobile to small scale industries to pharma to computer hardware. The irony is apparent. How can the world's second most populated country suffer from lack of labour? The answer is simply that the education industry has not reached the right people with the right products. Today EdServ has in place the framework to render this problem a thing of the past!

CAREER SOLUTIONS

EdServ offers career solutions from a virtual online placement campus-EdCampus, by extending a value driven consultancy services to its job seeking candidates and employee searching clients. It endeavors to provide highly promising career avenues by focusing on specific employment opportunities in high growth areas while at the same time competent staffing solutions for the employer. With quality being the key element of its commitment to deliver value for its candidates and customers, today it's blazing its trail by housing more than two lakh live jobs that cuts across a plethora of verticals including retail, BFSI, telecom, manufacturing, BPO & IT.

KNOWLEDGE SHARING ON THE MOVE

Sharing knowledge is not about giving people something, or getting something from them. That is only valid for information sharing. Sharing knowledge occurs when people are genuinely interested in helping one another develop new capacities for action. It is about creating learning processes. In fact, the only irreplaceable capital an organization possesses is the knowledge and ability of its people. The productivity of that capital depends on how effectively people share their competence with those who can use it.

Humthum.com is a first of its kind knowledge sharing product developed for the Indian market by EdServ in association with Samsung. By foraying into the mobile application space with its wide range of educational contents, it has taken on the whole gamut of tuition, academics, skill development & test prep services. Launched in June 2011, humthum.com - a unique mobile based knowledge sharing apps made available across all Samsung smart phones through their Java Apps Stores in India, literally symbolizes the idea that knowledge is power and therefore, controls all access to opportunities and advancement. Not surprisingly, this apps will provide area wise services covering over 20,000 pin codes pan India. It will enable students to instantly access its educational services even when they are on the move, anytime anywhere. Just the pilot phase of the roll out got more than 50,000 students enrolled, who have already started accessing humthum mobile apps in a big way. EdServ is targeting a user base of ten million in the next 18-24 months and revenues of Rs. 200 crores over the next 3 years. By foraying into the mobile application space with its wide range of educational contents, it has taken on the whole gamut of tuition, academics, skill development & test prep services.



Launched in June 2011, humthum.com - a unique mobile based knowledge sharing apps made available across all Samsung smart phones through their Java Apps Stores in India, literally symbolizes the idea that knowledge is power and therefore, controls all access to opportunities and advancement. Not surprisingly, this apps will provide area wise services covering over 20,000 pin codes pan India. It will enable students to instantly access its educational services even when they are on the move, anytime anywhere. Just the pilot phase of the roll out got more than 50,000 students enrolled, who have already started accessing humthum mobile apps in a big way. EdServ is targeting a user base of ten million in the next 18-24 months and revenues of Rs. 200 crores over the next 3 years.

CONTENT ON LEASE

EdServ plans the following for the future to consolidate its growth and stake its claim for a national and global presence in providing learning and career solutions. The high cost of effectively presenting its services has made the service-on-lease model as an intriguingly sensible option. With its low start up costs, high leverage and containment of corporate resources it was decided that it is smart to go this route. In fact, today, content leasing is one of the fastest growing methods that the world's leading online educators companies enlisting to not only more effectively cost control their web applications, but also steer away from the pitfalls of hosting stale, static & dated contents. EdServ plans to get fresh, diversified, appealing, best seller contents from third-parties on a park-on-lease framework and pay royalties on its hourly usage. It has already implemented this appealingly interactive and dynamic content-on-lease format in lampsglow.com portal.

PARTNERS IN PROGRESS

Partners are essential for the development of an organization. needed someone who was not afraid to force issues, confront us, and, if necessary, drive us where we needed to go.

At EdServ, we just decided to grow them as our partners in progress organically instead of buying them and drive us where we needed to go. Giants in their own game who will help accurately assess situations and help address critical issues. So that we maximize the benefit of the various education services that we offer our customers. With this view in mind, we took the strategic decision to tie up with Corel Corporation, Sreeram Coaching Point, Samsung & Blackberry to help EdServ achieve the magnitude of change that we needed.

Corel e-Training Partnership

In a significant initiative for training through e-learning, EdServ has struck a global e-training partnership in August 2010 with Ottawa, Canada headquartered COREL Corporation. By this strategic tie up, EdServ has become the first and only authorized online training partner of Corel with rights to train and certify students on the Corel technology, graphic design, and desktop publishing space. EdServ will develop exclusive e-content for various tools of COREL which will be marketed worldwide as the authorized e-content for becoming a certified COREL professional.

Sreeram Coaching Point, Partners In CA Coaching

In January 2011, EdServ has struck an eLearning partnership with Chennai based Sreeram Coaching Point, a CA training institute established in 1989. This partnership will enable EdServ to provide online CA coaching for students through its education portal www.lampsglow.com. This marks EdServ's foray into the estimated Rs.2000 crore chartered accountancy

training market in India and this association is expected to provide online access to expert classroom videos and assessments modules to an estimated one million students aspiring annually to clear CA-CPT, inter, and final exams.

Samsung humthum Mobile Educational Apps

In a first of its kind product developed for the Indian market, EdServ has forayed into the mobile application space with its wide range of educational contents- the whole gamut of tuition, academics, skill development & test prep services. In June 2011, EdServ has launched humthum.com a unique mobile based knowledge apps made available across all Samsung smart phones through their Java Apps Stores in India. Just the pilot phase of the roll out got more than 50,000 students enrolled and EdServ is targeting a user base of ten million in the next 18-24 months and revenues of Rs. 200 crores over the next 3years.

Blackberry humthum Mobile Educational Apps

In July 2011, EdServ has tied up with Blackberry Smart Phones, where EdServ's wide range of educational content on its flagship education portal www.lampsglow.com will go in as humthum apps into Blackberry Apps Store for Blackberry phones worldwide. Similar to the Samsung tie up, it will provide the entire online education content that includes tuition, academics, skill development & test prep services on the Blackberry smart phone.

RISK MANAGEMENT

The company is investment smart and information smart at the same time by exploiting content-on-lease model as a key risk management option. With its modest start up costs, assured fresh content, high leverage and containment of corporate resources, it was decided that this is the way to go. The Risk Management Committee shall provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders and investment community by assessing, and providing oversight to management relating to the identification and evaluation of not only content leasing but also all major strategic, operational, regulatory, information and external risks inherent in the business of the company.

The Vigilant Watch Dog-Internal Control Systems

By having in place an adequate internal control system, that is commensurable with the size and nature of its business. The system is supported by documented policies, guidelines, procedures to monitor business and operational performance aimed at ensuring not only business integrity but also promoting operational efficiency. Regular review of the reports of the internal auditors by the Audit Committee Meetings. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them on an on going basis.



Discussion on financial performance with respect to operational performance

Financial Condition

A summary of our financial position as on 31st March 2011 and 2010 are as follows:

(₹)in Lakhs

	2011	%	2010	%	Growth
I. Sources of Funds					
Shareholder's Funds:					
Share Capital	1557.72	27.27	1200.60	33.89	-
Share Application money pending allotment	875.11	15.32	50.11	0.88	
Reserves & Surplus	13850.57	242.48	3662.76	64.12	60.50
Loan Funds	-	-	-	-	-
Secured Loans					
Loan against Security of Fixed Deposits	170.47	2.98	574.28	10.05	-
Vehicle Loan (Secured by hypothecation of Vehicles)	16.57	0.29	22.26	0.39	-
Equipment Loan (Secured by hypothecation of equipments)	68.40	1.20	-	-	-
Deferred Tax Liability Net (See Note 13)	403.29	7.06	201.93	3.54	242.95
	16942.13		5711.94		-
II. Application of Funds					
Fixed Assets					
Gross Block	2491.43	14.71	1177.76	20.62	70.50
Less: Depreciation	393.04	2.32	213.03	3.73	238.57
Net Block	2098.39	12.39	964.73	16.89	53.66
Capital Work in progress-Product Development	4765.17	28.13	1753.46	30.70	167.47
Investments	9.50	0.06	9.50	0.15	-
Current Assets, Loans & Advances					
A. Current Assets					
Sundry Debtors	9052.44	53.43	2797.21	48.97	323.17
Cash and Bank Balances	2695.50	15.91	961.36	16.83	11.63
B. Loans & Advances					
Loans & Advances	1132.11	6.68	213.08	3.73	(75.71)
	12880.05	76.02	3971.65	-	65.52
Less: Current Liabilities & Provisions	2889.67	17.06	1095.09	19.15	289.20
Net Current Assets	9990.38	58.96	2876.56	50.38	35.84
Miscellaneous Expenditure (to the extent not written off or adjusted)					
Preliminary Expenses	-	-	0.10	-	(50.00)
Share Public Issue Expenses	78.69	0.46	107.59	1.88	(18.69)
	16,942.13		5711.94		-



Sources of Funds**1. Share Capital**

At present we have only one class of shares Equity Shares of ₹ 10/- each fully paid up.

Our Authorised Capital is ₹ 2500 Lakhs divided into 250 Lakh Equity Shares of ₹ 10/- each. The issued, subscribed and paid up capital as on 31st March 2011 is ₹ 1557.72 Lakhs and as on 31st March 2010 is ₹ 1200.60 Lakhs.

2. Reserves & Surplus

The position of Reserves & Surplus for the year 2010 and 2011 is given below. During the year the company has transferred ₹ 416.90 Lakhs to General Reserve as per the statutory requirement.

	(₹) in Lakhs	
	2011	2010
Reserves and Surplus		
Share Premium Opening Balance	2040.00	2040.00
Less: Capitalised for issue of Bonus Shares		
Add: Additions during the year	6573.52	-
	8613.52	2040.00
General Reserves	180.19	180.19
Add: Additions during the year	416.90	-
	597.09	180.19
Profit and Loss Account		
Profit and Loss Account Opening Balance	1442.56	242.16
Add: Profit brought forward from P & L Account	3197.40	1200.41
Less: Capitalised for issue of Bonus Shares	-	-
	4639.96	1442.56

Application of Funds**3. Fixed Assets**

Statement of movement of Fixed Assets are as follows:

	(₹) in Lakhs		
	2011	2010	Growth
(Computer Software & IP Rights)	926.14	97.24	852.43
Plant & Machinery	10.03	0.36	2686.11
Office Equipments	11.34	8.46	34.04
Furniture & Fixtures	522.69	145.95	258.13
Vehicles	28.97	28.97	-
Computers	992.26	896.77	10.65
Gross Block	2491.43	1177.75	111.54
Less: Accumulated Depreciation	393.04	213.02	84.51
Net Block	2098.39	964.73	117.51
Add: Capital Work in Progress	4765.17	1753.46	171.76
Net Fixed Assets	6863.56	2718.19	152.50
Depreciation	-	-	-
as % of revenues	1.67	2.85	-
as % of average Gross Block	7.23	12.74	-
Accumulated Depreciation as % of Gross Block	15.78	18.09	-



4. **Investments**

There is no change in the investment during the year.

5. **Sundry Debtors**

Sundry Debtors amount to ₹ 9052.44 lakhs as on 31st March 2011 and ₹ 2797.21 lakhs as on 31st March 2010. There are no provision for doubtful debts for both the years .

Sundry Debtors	2011	2010
Debts outstanding for a period exceeding 6 months	3463.95	607.36
Other Debts	5588.49	2189.85
	9052.44	2797.21

6. **Cash And Cash Equivalents**

The summary of the cash and cash equivalents are as follows

(₹) in Lakhs

	2011	2010
Cash on hand	27.42	29.34
Balance with Banks in current accounts-Scheduled Banks	2228.35	298.53
Balance with Banks in Deposit accounts-Scheduled Banks	409.17	608.57
Balance with Banks in current accounts-Others	29.96	44.92
Balance in Unpaid Dividend Account	0.60	-
	2695.50	961.36

7. **Loans And Advances**

The details of the Loans and advances are as follows

(₹) in Lakhs

	2011	2010
Advances recoverable in cash or in kind or for value to be received - Considered Good	75.99	23.99
Advance recieved from suppliers	480.40	-
Rent Deposits	38.87	33.20
Inter corporate Deposits	5.00	-
Service Tax Input Credit	242.88	49.03
VAT Input Credit	55.22	5.54
Advance Income Tax	218.02	88.02
Income Tax Deducted at Source on Income	13.61	8.64
Income Tax Deducted at Source on Interest held in Banks	2.12	4.66
	1132.11	213.08



8. **Current Liabilities and Provision**

A summary of the current Liabilities are as follows

(₹) in Lakhs

	2011	2010
Sundry Creditors for Expenses and Services (Other than Micro Enterprises and Small Enterprises)	756.12	33.12
Dues to Whole time Directors	78.19	-
Dues to Non Executive Directors	19.38	-
Provident Fund Payable	2.05	1.13
ESI Payable	0.79	0.12
Professional Tax Payable	1.49	0.66
VAT Payable	12.77	-
Service Tax Payable	-	2.31
Unpaid Dividend	233.08	185.91
	0.60	-
	1104.47	223.25
Provisions		
Provision for Dividend	467.32	360.18
Provision for Gratuity	13.77	8.93
Provision for Taxes on Distributed Profits	79.42	61.21
Provision for Income Tax	1216.70	441.52
	1777.21	871.84

Sundry Creditors for expenses and services represent the amount accrued for various operational expenses and the creditors for the operation of the company. Advance received from customers represent the advance received for future services. The company has proposed declaration of dividend on the equity shares for the year ended 31st March 2011 and provision for the Dividend distribution Tax has been provided. Provision for tax represent the estimated tax liabilities.



9. Net Current Assets

Net current assets as on 31st March 2011 is ₹ 9990.38 lakhs as against ₹ 2876.56 lakhs as on 31st March 2010.

Current ratio as on 31st March 2011 is ₹ 4.06 and as on 31st March 2010 is ₹ 3.63

Results of Operations

The following are the summary of financial operations.

(₹) in Lakhs

	2011	%	2010	%	Growth
Income					
Software Development Services, Education & Training	7626.43	70.76	5208.81	98.87	46.41
Sale of Machinery		-	3.09	0.06	-100
Export Income	3116.02				
Other Income	34.84	0.32	56.40	1.07	-38.23
	10777.29	71.08	5268.30	100	104.57
Expenses					
Purchase of Software	1076.31	9.99	1503.33	28.54	-28.40
Administrative Expenses	2890.73	26.82	714.89	13.57	304.36
Interest on Working Capital Loans	33.53	0.31	43.41	0.82	-22.76
Course Content and Brand Expenses W/off	1069.31	9.92	439.49	8.34	143.31
Operating Expenses	5069.88	47.04	2701.12	25.06	87.70
Operating Profit (PBITDA)	5707.41	52.96	2567.18	23.82	122.32
Preliminary Expenses	0.10	-	0.10	-	-
Depreciation	180.01	1.67	150.10	1.39	19.93
Share Issue Expenses written off	35.37	0.33	35.37	0.33	-
Profit after Depreciation & Amortisations	5491.93	50.96	2381.61	22.10	130.60
Less: Provision for Income Tax - Current	1121.56	10.41	436.55	4.05	156.91
Less: Provision for Fringe Benefit Tax	-	-	-	-	-
Add (+) / Less (-) Provision for Deferred Tax	201.36	1.87	143.06	1.33	40.76
Profit After Tax	4169.01	38.68	1802.01	16.72	131.35
Less: Transfer to General Reserve	416.90	3.87	180.19	1.67	131.35
Less: Provision for Dividend	474.14	4.40	360.18	3.34	31.64
Less: Provision for Dividend Distribution Tax	80.58	0.75	61.21	0.57	31.65
Balance of Profit Carried to Balance Sheet	3197.39	29.67	1200.40	11.14	166.36



The Company has only one segment of business.

1. **Income**

(₹)in Lakhs

	2011	2010
Software Trading and Sales	-	1659.46
Royalty - Franchisee Centers	-	0.41
Training, Media Reimbursement, Course Content	-	282.04
Reimbursement of Vocational Training	4152.73	1859.42
Application Fees	2277.52	50.14
Recruitment services	-	0.26
Student Registration Fee	24.83	576.60
Brand License Access Fee	1171.35	780.48
	7626.43	5208.81

2. **Expenditure**

a. The company has incurred the following administrative expenses

(₹)in Lakhs

	2011	2010
Rent	66.46	39.11
Advertisement Expenses	636.37	58.40
Electricity	10.40	7.31
Printing and Stationary	10.59	18.59
Repairs and Maintenance-Building	3.80	1.81
Repair and Maintenance -Others	35.60	18.84
Telephone and Fax Charges	47.35	12.22
Employment Expenses	467.06	203.79
Commission to Executive Directors	80.00	-
Commission to Non-Executive Directors	21.53	-
Postage Telegram & Couriers	5.48	2.78
Travelling and Conveyance	42.02	30.50
Other Administration & Miscellaneous charges	118.94	42.93
MODES Expenses	1245.20	207.49
Sponsorship Charges	-	10.28
Bank charges	1.90	1.12
Vehicle Finance Charges	2.04	1.57
Interest on Other Loans	4.18	-
Audit Fees	20.00	5.00
Internal Audit Fees	3.00	-
Consultancy & Legal Charges	68.80	53.16
	2890.72	714.90



Material Developments in Human Resources / Industrial Relations Front, including number of people employed.

Minimum Achievable Target (MAT) as a performance parameter has been fully implemented and practiced in the company. This means, all appraisals and performance evaluation have been done using MAT as the principal metrics. Every employee's KRA has been fixed in terms of MAT parameters and the same have been recorded month-on-month as either achieved or not achieved and the yearly appraisal is made based on the MAT achievements.

MAT this year also got improvised by bringing the MAT parameter for all communities in the company including HORIZONTAL service teams as well as VERTICAL Sales teams. Further, MAT serves hugely on yearly appraisal system to scientifically appraise a workforce based on their month-on-month MAT achievement.

MAT also works for descriptive tasks based roles for certain workforces by making MANDATORY MAT.

The company has immensely got benefitted out of MAT system in improving the utilization and throughput of human resources, thereby improving the efficiency of the company management and thus the business execution.

Human Resources Creating Appreciating Assets

This includes technology, delivery, deployment, support, branding, and content divisions apart from Finance, accounts, administration, HR departments. The content development which requires Subject Matter Experts (SME) for each subject is managed by outsourcing the raw content delivery to consultants.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's strategies and objectives, projections, estimates, expectations and predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include Intellectual Property thefts, Humanware turn-out and availability, Government policies on education and employment, cyclical and seasonal demands and pricing in the Company's principal markets, changes in economic developments, tax structures within India and other incidental factors.

For and on behalf of the Board of Directors

S. Giridharan
Chairman & CEO

Place: Chennai
Date: 30.08.2011



Auditor's Report

Auditors' Report To The Members of EdServ Softsystems Limited

1. We have audited the attached Balance Sheet of Edserv Softsystems Limited as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on the 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 the disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by 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 issued by the Central Government of India in terms of sub-section (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that;
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account (read in conjunction with the Notes and Schedule attached thereto) dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said 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:
 - a. in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - b. in , the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 - c. In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For RAJ AND RAVI
Chartered Accountants

V. RAJ
(Membership No. 23211)
Partner
Firm Registration No. 010935S

Place: Chennai 600024.
Date: 30.05.2011



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in the Books of Account.
- c) During the year the Company has not disposed off any substantial of major part of the Fixed Assets.
2. The company did not hold any stock of inventory. In view of the foregoing, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable
3. As informed, the company has not granted any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. As informed, the company has not taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us, having regard to the explanation that some items are of special nature for which alternate quotations cannot be obtained, there is an internal control system commensurate with the size of the company and nature of its business for purchase of fixed assets and for the sale of software products and services. During the course of audit, no major weakness has been noticed in the internal control system in respect of these areas. During the year, there are no transactions of purchase of inventory.
6. (a) Based on the audit procedures performed by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under sec 301 and exceeding the value of Five Lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time
7. In our opinion and according to the information and explanations given to us, as the company has not accepted deposits from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 paragraph 4(vii) of the Order is not applicable.
8. In our opinion the company has an internal audit system commensurate with size and nature of its business.
9. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section

209 (1)(d) of the Companies Act, 1956.

10. a) According to information and explanations given to us and as per records produced before us for verification, the company is regular in depositing with appropriate authorities undisputed statutory dues including P.F. E.S.I, Sales Tax, Income tax, Custom duty and any other undisputed statutory dues.
- b) As per information and explanations furnished to us and on verification of records produced, no undisputed arrears of amounts payable in respect of sales tax / income tax / custom / wealth tax / excise / service tax were outstanding as at 31st March 2011, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, there are no disputed dues in respect of sales tax / income tax / custom / wealth tax / excise / service tax as on 31st March 2011.
11. The Company has no accumulated losses as at 31st March, 2011 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
12. In our opinion and on verification of records, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
13. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4(xii) of the Order is not applicable.
14. The provisions of any special statute applicable to Chit Fund and Nidhi / mutual benefit fund/society are not applicable to the company and therefore paragraph 4 (xiv) of the Order is not applicable.
15. The company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4 (xiv) of the Order is not applicable.
16. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4 (xvi) of the Order is not applicable.
17. The company has not availed term loans during the year.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, no short term funds has been used for fixed assets (long term investments) no long term funds were raised for short term investments.
19. The company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any Debentures during the year under report.



21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For RAJ AND RAVI
Chartered Accountants

V. RAJ
(MembershipNo. 23211)
Partner
Firm registration no. 010935S

Place: Chennai
Date: 30.05.2011



Balance Sheet As At 31st March 2011

(₹) in Lakhs

	Schedule	As on 31.03.2011	As on 31.03.2010
I. Sources of Funds			
Shareholder's Funds:			
Share Capital	1	1,557.72	1200.60
Share application money pending allotment (see note 14)		875.11	50.11
Reserves & Surplus	2	13,850.57	3662.76
Loan Funds			
Secured Loans			
Loan against Security of Fixed Deposits		170.47	574.28
Vehicle Loan (Secured by hypothecation of Vehicles)		16.57	22.26
Unsecured Loans			
Loan from Others		68.40	-
Deferred Tax Liability Net (See Note 13)		403.29	201.93
		16,942.13	5,711.94
II. Application of Funds			
Fixed Assets	3		
Gross Block		2,491.43	1,177.76
Less: Depreciation		393.04	213.03
Net Block		2,098.39	964.73
Capital Work in progress-Product Development		4765.17	1753.46
Investments	4	9.50	9.50
Current Assets, Loans & Advances			
A. Current Assets			
Sundry Debtors	5	9,052.44	2,797.21
Cash and Bank Balances	6	2,695.50	961.36
B. Loans & Advances			
Loans & Advances	7	1,132.11	213.08
		12,880.05	3971.65
Less: Current Liabilities & Provisions	8	2,889.67	1,095.09
Net Current Assets		9,990.38	2876.56
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses			0.10
Share Public Issue Expenses		78.69	107.59
		78.69	107.69
		16,942.13	5,711.94
Notes on Accounts	12	-	-

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S

Place: Chennai
Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary



Profit and loss account for the year ended 31st March 2011

(₹) in Lakhs

	Schedule	For the year ended	
		31.03.2011	31.03.2010
INCOME			
Software Development Services, Education & Training (Net of Service Tax of ₹23265436/- Previous Year ₹ 12305928/-)	9	7,626.43	5,208.81
Export Income		3,116.02	-
Sale of Machinery (Net of VAT of ₹16,231/- (Previous Year ₹49,810/-)		-	3.09
Other Income	10	34.84	56.40
		10777.29	5,268.30
EXPENDITURE			
Purchase of Machinery		-	-
Purchase of Software		1,076.31	1,503.33
Administrative Expenses	11	2,890.73	714.89
Interest on Working Capital Loans		33.53	43.41
Course Content and Brand Expenses W/off		1,069.31	439.49
Depreciation		180.01	150.10
Share Issue Expenses written off		35.37	35.37
Preliminary Expenses		0.10	0.10
		5,285.36	2,886.69
Profit Before Tax		5,491.93	2,381.61
Less: Provision for Income Tax - Current		1,121.56	436.55
Add (+) / Less (-) Provision for Deferred Tax		201.36	143.05
		1322.92	579.60
Profit After Tax		4,169.01	1,802.01
Less: Provision for Dividend		474.14	360.18
Less: Provision for Dividend Distribution Tax		80.58	61.21
		554.72	421.39
Profit after appropriations		3,614.29	1,380.62
Less: Transfer to General Reserve		416.90	180.19
Profit carried to Balance Sheet		3197.39	1200.41
Earnings Per Share (In ₹)			
Basic		30.09	15.01
Diluted		29.83	14.97
Nominal Value per Share		10.00	10.00
Notes on the Accounts & Significant Accounting Policies	12		

The Schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account.

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S
Place: Chennai
Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary



Cash Flow Statement For The Period Ended 31st March 2011

(₹) in Lakhs

PARTICULARS	31.3.2011	31.3.2010
A. Cash flow from Operating Activities		
Net profit as per Profit and loss account	4169.01	1802.01
ADJUSTMENTS FOR		
Depreciation in books	180.01	150.10
Preliminary expenditure written off	0.10	0.10
Deferred Tax	201.36	143.05
Share Issue Expenses written off	35.37	35.37
Provision for Income tax & FBT	1,121.56	436.55
Operating cash flows before adjusting for working capital changes	5,707.41	2,567.18
Adjustment for Working Capital changes		
Decrease/(Increase) in Sundry debtors	(6,255.23)	(2,136.21)
Decrease/(Increase) In other Current assets	(919.03)	(664.15)
Increase / (Decrease) in Current liabilities and provisions	673.02	377.42
Operating cash flow after Adjusting for working Capital changes	(793.83)	1,472.54
Net Cash Flow from operating activities - A	(793.83)	1,472.54
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	1,313.68	487.00
Investment in subsidiary	-	1.00
Product Development Expenses	3,011.71	1097.89
Net cash From Investing activities - B	4,325.39	1,585.89



Cash Flow Statement For The Period Ended (Contd...)

(₹) in Lakhs

C. Cash flow from Financing Activities		
Proceeds from Share Capital	357.12	-
Proceeds from Share Application	825.00	49.00
Proceeds from Share Premium	6573.52	-
Proceeds from Bank Loans	(409.50)	596.54
Proceeds from other Loans	68.40	-
Share Issue Expenses	(6.47)	(10.64)
Provision for Dividend and Dividend Tax	(554.71)	(421.38)
Net Cash Flow From Financing Activities - C	6,853.36	213.52
Net Increase in cash and Cash equivalents (A + B + C)	1,734.14	100.16
Add: Cash and cash equivalents at the beginning of the year	961.36	861.20
Cash and cash equivalents at the end of the year	2695.50	961.36
Reconciliation		
Cash and cash equivalents at the end of the year	2695.50	961.36
Add: Unrealized Exchange Fluctuation loss/(gain)	-	-
Cash and cash equivalents at the end of the year(as above)	2695.50	961.36

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S

Place: Chennai

Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan	Chairman & CEO
G. Gita	Managing Director
S. Arvind	Director
Ilango Balakrishna	Director
T.S. Ravichandran	Director

G. Raghavan	Company Secretary
--------------------	--------------------------



Schedules Forming Part Of Balance Sheet As of 31st March 2011

(₹) in Lakhs

SCHEDULE - 1 - SHARE CAPITAL	As at 31.03.2011	As at 31.03.2010
Authorised		
2,50,00,000 Equity Shares of ₹10/- each (Prev. Yr 2,50,00,000 Equity Shares of ₹10/- each)	2500.00	2500.00
Issued, Subscribed and Paid up		
1,55,77,242 Equity Shares of ₹10/- each fully paid up	1557.72	1200.60
Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issued as Bonus Shares (Previous Year 1,20,06,000 Equity Shares of ₹10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹10/- each fully paid issued as Bonus Shares)	1557.72	1200.60
SCHEDULE - 2 - RESERVES & SURPLUS	As at 31.03.2011	As at 31.03.2010
Share Premium Account		
Share Premium Opening Balance	2040.00	2040.00
Add: Additions during the year	6573.52	-
Out of the total premium collected during the year an amount of ₹15656182/- being QIP Issue Expenses has been adjusted) Previous Year NIL	8613.52	2040.00
General Reserves		
Opening Balance	180.19	-
Add: Additions during the year	416.90	180.19
	597.09	180.19
Profit and Loss Account		
Profit and Loss Account Opening Balance	1442.56	242.16
Add: Profit brought forward from P & L Account	3197.40	1200.41
	4639.96	1442.57
	13850.57	3662.76



(₹) in Lakhs

SCHEDULE - 3 - FIXED ASSETS

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1.4.2010	Addition	Deletion	As on 31.03.2011	UPTO 31.3.2010	Deletion	As on 31.03.2011	As on 31.03.2010
INTANGIBLE ASSETS	97.24	828.90	-	926.14	67.61	-	837.97	29.63
(Computer Software & IP Rights)								
Plant & Machinery	0.36	9.67	-	10.03	0.11	-	9.72	0.25
Office Equipments	8.46	2.89	-	11.34	0.18	-	4.62	8.27
Furniture & Fixtures	145.95	376.74	-	522.69	2.18	-	510.81	143.77
Vehicles	28.97	-	-	28.97	0.91	-	27.03	28.06
Computers	896.77	95.49	-	992.26	142.03	-	708.24	754.75
TOTAL	1177.75	1313.69	-	2491.43	213.02	-	2098.39	964.73
Previous Year	(690.76)	(487.00)	-	(1177.76)	(62.92)	-	(964.73)	(627.83)

SCHEDULE - 4 - INVESTMENTSAs at
31.03.2011 As at
31.03.2010

In Subsidiaries & others companies		
Trade, Unquoted, At Cost Value		
Equity Shares of ₹10/-each fully paid up of Onspec Technologies P Ltd	8.50	8.50
Equity Shares of ₹10/-each fully paid up of Vidhyadhana Education P Ltd	1.00	1.00
TOTAL	9.50	9.50

SCHEDULE - 5 - SUNDRY DEBTORS (UNSECURED / CONSIDERED GOOD)As at
31.03.2011 As at
31.03.2010

Debts outstanding for a period exceeding 6 months	3463.95	607.36
Out of the above ₹ 2,93,30,000/- due from subsidiary company		
Other Debts	5588.49	2189.85
Out of the above ₹ 1,80,16,346/- due from subsidiary company		
TOTAL	9052.44	2797.21

SCHEDULE - 6 - CASH & BANK BALANCESAs at
31.03.2011 As at
31.03.2010

Cash on hand	27.42	9.34
Balance with Banks in current accounts/Scheduled Banks	2228.35	298.53
Balance with Banks in Deposit accounts/Scheduled Banks	409.17	608.57
Balance with Banks in current accounts/Others	29.96	44.92
Balance in Unpaid Dividend Account	0.60	-
TOTAL	2695.50	961.36



(₹) in Lakhs

SCHEDULE - 7 - LOANS & ADVANCES		As at 31.03.2011	As at 31.03.2010
Advances recoverable in cash or in kind or for value to be received - Considered Good		75.99	23.99
Advance received from suppliers		480.40	-
Rent Deposits		38.87	33.20
Inter Corporate Deposits		5.00	-
Service Tax Input Credit		242.88	49.03
VAT Input Credit		55.22	5.54
Advance Income Tax		218.02	88.02
Income Tax Deducted at Source on Income		13.61	8.64
Income Tax Deducted at Source on Interest held in Banks		2.12	4.66
TOTAL		1132.11	213.08
SCHEDULE - 8 - CURRENT LIABILITIES & PROVISIONS		As at 31.03.2011	As at 31.03.2010
Current Liabilities			
Sundry Creditors for Expenses and Services (Other than Micro Enterprises and Small Enterprises)		756.11	33.12
Dues to wholetime Directors		78.19	-
Dues to Non Executive Directors		19.38	-
Provident Fund Payable		2.05	1.13
E5I Payable		0.79	0.12
Professional Tax Payable		1.49	0.66
TD5 Payable		20.77	0.00
VAT Payable		-	2.31
Service Tax Payable		233.08	185.91
Unpaid Dividend		0.60	-
Advance received from Customers		-	-
Provisions			
Provision for Dividend		467.32	360.18
Provision for Gratuity		13.77	8.93
Provision for Taxes on Distributed Profits		79.42	61.21
Provision for Income Tax		1216.70	441.52
TOTAL		2889.67	1095.09
SCHEDULE - 9 - SALES		For the year ended	
		31.03.2011	31.03.2010
Software Trading and Sales		-	1659.46
Royalty - Franchisee Centers		-	0.41
Training, Media Reimbursement, Course Content		-	282.04
Reimbursement of Vocational Training		4152.73	1859.42
Application Fees		2277.52	50.14
Recruitment services		-	0.26
Student Registration Fee		24.83	576.60
Brand License Access Fee		1171.35	780.48
TOTAL		7626.43	5208.81



(₹) in Lakhs

SCHEDULE - 10 - OTHER INCOME	For the year ended	
	31.03.2011	31.03.2010
Interest received from Bank (Tax deducted on above ₹ 2,11,764/- (Previous Year ₹ 4,65,768/-)	34.84	56.39
Miscellaneous Income	-	0.01
TOTAL	34.84	56.40

SCHEDULE - 11 - ADMINISTRATIVE EXPENSES	For the year ended	
	31.03.2011	31.03.2010
Rent	66.46	39.11
Advertisement Expenses	636.37	58.40
Electricity	10.40	7.31
Printing and Stationaries	10.59	18.59
Repairs and Maintenance-Building	3.80	1.81
Repair and Maintenance -Others	35.60	18.84
Telephone and Fax Charges	47.35	12.22
Employment Expense	467.06	203.79
Commission to Executive Directors	80.00	-
Commission to Non Executive Directors	21.53	-
Postage Telegram & Couriers	5.48	2.77
Traveling and Conveyance	42.02	30.50
Other Administration & Miscellaneous charges	118.94	42.93
MODE5 Expenses	1245.20	207.49
Sponsorship Charges	-	10.28
Bank charges	1.90	1.12
Vehicle Finance Charges	2.04	1.57
Interest on other loans	4.18	-
Audit Fees	20.00	5.00
Internal Audit Fees	3.00	-
Consultancy & Legal Charges	68.81	53.16
TOTAL	2890.73	714.89

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered AccountantsV. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S
Place: Chennai
Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan	Chairman & CEO
G. Gita	Managing Director
S. Arvind	Director
Ilango Balakrishna	Director
T.S. Ravichandran	Director

G. Raghavan Company Secretary



Schedule Notes Forming Part Of The Accounts

SCHEDULE 12

1. Significant Accounting Policies

Basic for Preparation of Statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAPP) in India and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, to the extent applicable.

Revenue Recognition

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on an accrual basis. Sales are recognized when services are rendered. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Sign up Fees are accounted in the year of sign up.

Fixed Assets

Fixed Assets are stated at original cost less depreciation. Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction related pre-operative expenses form part of the value of the assets capitalised.

Capitalisation and Amortisation of Software Product Acquisition and Product Development Costs

Costs incurred towards acquisition and development of Computer Software products meant for sale, lease or otherwise marketed, are capitalised until the product is available for release to the customers. Capitalized Software Costs are amortised on a product-by-product basis based on straight-line method over the estimated economic life of the product. The carrying value of Capitalised Software Costs is reviewed at each Balance Sheet date and adjusted for any changes to the estimated economic life of the product.

Depreciation

Depreciation is charged for those assets which have been put into use during the year under straight line method on pro rata basis at the rates specified in Schedule XIV to the Companies Act, 1956 as amended by the Government of India, Ministry of Law, Justice & Company Affairs vide notification No. GSR 756 (E) dated 16.12.1993.

Depreciation on additions/deletions for the period is provided pro rata with reference to the month of addition/deletion.

Depreciation on Intangible Assets (Computer Software) are provided based on the management's estimate of useful lives and at the rate of 16.21% pro rata with reference to the month of addition/deletion.

Investments

Investments are valued at cost price. Any temporary diminution in the value of investment meant to be held for a long term is not recognized. There is no impairment perceived in investments as on date.

Taxation

The current charge for Income Tax and Fringe Benefit Tax is based on the tax liability computed after considering tax allowances and exemptions.

Deferred tax is provided using the liability method in respect of taxation effect arising from all material timing difference between the accounting and Tax treatment of Income and Expenditure which are expected with reasonable probability to crystallise in the foreseeable future.

Earnings per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Deferred Revenue Expenditure

The expenses relating to Brand Building and development of Course Content is deferred and the amount is written off over a period of 5 years from the year in which the expenditure is incurred.

Public Issue Expenses

Expenses related to Initial Public Offering (IPO) are written off in 5 equal instalments starting from the year of public issue.

Cash Flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Employee Benefits

Expenses and Liabilities in respect of Employee benefits are recorded in accordance with Revised Accounting Standard 15 – Employee Benefits (Revised 2005)

i. Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of Gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for recognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses are determined.

ii. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.



accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.

Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the Profit and Loss Account on a straight line basis over the lease term.

Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Foreign Exchange Transactions

The Revenue earnings are accounted on estimated basis at the date of the transaction and the Exchange Fluctuation is accounted separately on realisation.

Segment Reporting

The Company operates in the same segment which are subject to same risks and returns.

Miscellaneous Expenditure

Preliminary Expenses is amortised over a period of 10 years.

Interim Financial Reporting

Quarterly Financial results are published in accordance with the guidelines given by SEBI. The recognition and measurement and measurement principles are laid down in the Standard are followed with respect to such results. The Quarterly results are also subjected to a limited review by the auditors as required by SEBI.

Consolidated Financial Statements

Consolidated Financial Statement of the Company and its subsidiary Vidhyadhana Education Services Private Limited are annexed.

Contingent Liabilities

Depending upon the facts of each case and after due evaluation of legal aspect, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. .

2. Auditors' Remuneration

	2010-2011	2009-2010
a) Audit fees	4,00,000	4,00,000
b) For Tax Audit	1,00,000	50,000
c) For other Services	15,00,000	50,000
	20,00,000	5,00,000

- As at the Balance Sheet date the Company does not have any dues outstanding to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act and as such no interest is paid or payable or accrued or outstanding during the year to any suppliers who are covered under the Micro, Small and Medium Enterprises Development Act, 2006.
- The Company is engaged in the business of Software Development / Services and licensing of Software Products and related services. The production and sale of such software and related services cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and information as required under paragraphs 3, 4C and 4D of Part II to Schedule VI to the Companies Act, 1956.



5. Employee Benefits:

Gratuity

Amount recognized in the Profit and Loss Account is as under:

Description	Year ended (in ₹)	
	31.3.2011	31.3.2010
Current Service Cost	5,16,216	7,76,529
Interest Cost	71,444	-
Actuarial (Gain)/Loss recognized during the year	(1,04,011)	-
Past Service Cost	-	-
TOTAL	4,83,649	7,76,529

Movement in the liability recognized in the Balance Sheet is as under;

Description	Year ended (in ₹)	
	31.3.2011	31.3.2010
Present value of defined benefit obligation as at the beginning of the year	8,93,047	1,16,528
Current Service Cost	4,83,649	7,76,529
Actuarial (Gain)/Loss recognized during the year	-	-
Past Service Cost	-	-
TOTAL	13,76,696	1,16,528

The company has not funded the above amount. The Gratuity is determined for all the employees of the Company on the basis of an independent actuarial valuation. The specific amount of gratuity for Whole Time Directors cannot be ascertained separately and accordingly the same has not been given separately. For determination of the Gratuity liability of the Company, it is assumed at a Discount rate of 8%, rate of increase in compensation levels of 5% and LIC mortality table 1994-96 for valuation.

Contributions made by the Company to Provident Fund during the year is ₹ 7,86,889/- (Previous Year ₹ 4,39,080/-)

6. The Employment term does not provide for Leave Encashment and hence no provision has been made in the accounts.

7. Earnings in Foreign Exchange:

in (₹)

	Year Ended in	
	31.3.2011	31.3.2010
Value of Export Income	31,16,02,000	Nil

8. Foreign Currency outflow during the year

in (₹)

	Year Ended in	
	31.3.2011	31.3.2010
Consultancy Charges	18,11,833	Nil

9. The entire expenditure relating to Advertisement for Brand building, Printing of Course Contents and an amount of Nil (Previous year ₹ 18,00,000/-) relating to Employment Expenses has been deferred and has been included in Capital Work in Progress.

10. The Company is into only one Segment of Software Training and Development and Project Consultancy and the Company operates presently in India only.

Secondary Segmental Information - Geographical

Revenue	2011	2010
India	7626.43	5208.81
Outside India	3116.02	-
TOTAL	10742.45	5208.81

11. Earnings per Share Basic and Diluted Earnings Per Share

	2011	2010
No. of Equity Shares allotted at the beginning of the year	1,20,06,000	1,20,06,000
No. of Equity Shares application received for preferential allotment	1,9930	56818
Weighted Average No. of Equity Shares		
For Basic Earnings per Equity Share	13854893	1,20,06,000
For Diluted Earnings per Equity Share	13978136	1,20,62,818
Profit After Tax	416901281	180199592
Basic Earnings per Equity Share	30.09	15.01
Diluted Earnings per Equity Share	29.83	14.97

12. Related Party Disclosures:

The following are Related Parties where Control exists and where there were transactions.

S.No.	Name	Remarks
1	Mr. S. Giridharan	Director / Managing Director
2	Mrs. G. Gita	Managing Director / Director
3	Vidhyadhana Education Private Limited	Subsidiary

Related Party Transactions for the year ended 31st March 2011:

S.No.	Name	Nature of Transaction	Value of Transaction in (₹)		Balance at year end (₹)	
			2010-11	2009-10	2010-11	2009-09
1	Mr. S. Giridharan	Salary	1,00,00,000	47,40,640	-	--
		PF	9,360	9360	-	-
		Dividend	17,69,797	17,69,797	-	-
2	Mrs. G. Gita	Salary	82,00,000	36,90,640	-	-
		PF	9,360	9,360	-	-
		Dividend	17,69,797	17,69,797	-	-
3	Vidhyadhana Education Private Limited	Sales	4,07,80,846	-	4,07,80,846	-
		Advances	65,65,500	-	65,65,500	-
		Investments		1,00,000	1,00,00	-

13. The total Directors Remuneration for the year is Rs. 1,02,00,000/- (Previous Year Rs. 84,68,720/-). Out of the above Rs. Nil (Previous Year Rs. 18,00,000/-) is deferred and included under Capital Work in Progress Product Development.



14. Major components of Deferred Tax assets and liabilities arising on account of timing differences are

(₹) In Lakhs

Amount in ₹	2010-11	2009-10
Depreciation Liability	203.00	145.69
Provision for Gratuity Asset	1.64	2.64
Net Deferred Tax Liability	201.36	143.05

15. Share Application money of Rs. 8,75,11,065/- (Previous Year Rs. 50,10,986/-) received from preferential applicants (Previous Year Rs. 25,00,003/- received from Mr. S. Giridharan and Rs. 25,00,003/- received Mrs. G. Gita) towards 25% of Share Warrant application money) issued during the year.
16. The Company has taken various offices under operating lease agreements. These are generally cancelable and are renewable by mutual consent on mutually agreed terms. Rental Expenses of Rs. 61,99,391/- (Previous Year Rs. 39,11,118/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account.
17. There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as on 31st March 2011 (Previous Year - Nil).
18. Computation of net profit in accordance with Section 349 of the Companies Act, 1956, and calculation of commission payable to non-whole-time directors:

(₹) In Lakhs

Particulars for the year ended	31.03.2011	31.03.2010
Net Profit after tax from ordinary activities	4169.01	1801.99
1. Whole-time Directors' remuneration	182.00	84.50
2. Directors' sitting fees	1.55	1.65
3. Commission to non-whole time directors	21.53	-
4. Provision for bad and doubtful debts	-	-
5. Provision for doubtful loans and advances	-	-
6. Provision on investments	-	-
7. Depreciation as per books of accounts	180.01	150.10
8. Provision for taxation	1322.92	579.61
	5877.02	2617.86
Less:		
1. Depreciation as envisaged under Section 350 of the Companies Act, 1956	180.01	150.10
2. Profit of a capital nature	-	-
Net profit on which managerial remuneration is payable Commission payable to non whole-time directors	5697.01	2467.75
Maximum allowed as per the Companies Act, 1956 @ 10% for all the Directors.	569.70	246.78

19. Figures have been rounded off to the nearest rupee and are regrouped / reclassified wherever necessary.

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

As Per Our Report of Event Date
For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S

Place: Chennai

Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary



Balance Sheet Abstract and Company's General Business Profile

I. Registration Details: Registration No. 18-46789 State Code: 18 Balance Sheet Date : 31st March 2011

II. Capital raised during the year (Rs. in Lacs) Public Issue: Nil. Rights Issue: Nil. Bonus Issue: Nil. Private Placement: Rs. 357.12 Lacs

III. Position of Mobilisation and Deployment of Funds (in Thousands)

Total Liabilities	1694214
SOURCES OF FUNDS:	
Paid-up Capital	155772
Reserves & Surplus	1385057
Secured Loans	25544
Deferred Tax	40329
Current Liabilities	288967

Total Assets	1694214
APPLICATION OF FUNDS :	
Fixed Assets	209839
Capital Work in Progress	476517
Investments	950
Current Assets	1288006
Misc. Expenditure	7869
Accumulated Losses	-

IV. Performance of Company (in lakhs)

Turnover(Incl.other Income)	1077729
Profit before Tax	549193
Earning per share in (₹)	30.09

Total Expenditure	528536
Profit after Tax	416901
Dividend rate	30%

V. Generic Names of three Principal Products of the Company:

Place: Chennai
Date : 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan	Chairman & CEO
G. Gita	Managing Director
S. Arvind	Director
Ilango Balakrishna	Director
T.S. Ravichandran	Director

G. Raghavan	Company Secretary
-------------	-------------------



Disclosure of information relating to subsidiary companies

(Pursuant to approval by Ministry of Company Affairs under section 212(8) of the companies Act 1956)

(₹) in Lakhs

VIDHYADHANA EDUCATION PRIVATE LIMITED

Financial Year ended	31 st March, 2011
Country of Incorporation	India
Share Capital	1.00
Share Application Money	-
Reserves	-
Minority Interest	-
Loan Funds	-
Current Liabilities & Provisions)	478.36
Deferred Tax Liability	-
Total Liabilities	479.36
Net Fixed Assets	-
Capital Work in Progress	-
Net Intangible Assets	-
Investments	-
Current Assets, Loans & Advances	426.69
Debit Balance in profit & loss A/C	52.33
Deferred Tax Asset	-
Miscellaneous Expenditure	0.34
Total Assets	479.36
Revenue /Income	1843.76
Profit / (Loss) Before Taxation	52.33
Deferred Tax Asset	-
Provisions for Taxation – Current	-
Deferred	-
Fringe Benefit Tax	-
Profit /(Loss) After Taxation	52.33
Proposed Dividend	-
Details of Investments	-
Quoted – Non Trade – Current	-
Quoted – Non Trade – long Term	-
Unquoted – Subsidiaries	-
Unquoted – Non Trade Others	-
Total Investments	-



Consolidated Balance Sheet As At 31st March 2011

(₹) in Lakhs

	Schedule	As on 31.03.2011	As on 31.03.2010
I. Sources of Funds			
Shareholder's Funds:			
Share Capital	1	1557.72	1200.60
Share Application money pending allotment (See Note 14)		875.11	50.11
Reserves & Surplus	2	13803.46	3662.76
Loan Funds			
Secured Loans			
Loan against Security of Fixed Deposits		170.47	574.28
Vehicle Loan (Secured by hypothecation of Vehicles)		16.57	22.26
Equipment Loan (Secured by hypothecation of equipments)		68.40	-
Deferred Tax Liability Net (See Note 13)		403.29	201.93
		16895.02	5,711.94
II. Application of Funds			
Fixed Assets	3		
Gross Block		2491.43	1177.76
Less: Depreciation		393.04	213.03
Net Block		2098.39	964.73
Capital Work in progress-Product Development		4765.17	1753.46
Investments	4	8.50	8.50
Current Assets, Loans & Advances			
A. Current Assets			
Sundry Debtors	5	8980.86	2797.21
Cash and Bank Balances	6	2699.01	961.36
B. Loans & Advances			
Loans & Advances	7	1158.62	213.87
		12,838.49	3,972.44
Less: Current Liabilities & Provisions	8	2894.57	1095.34
Net Current Assets		9943.92	2,877.10
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		0.16	0.31
Pre Operative Expenses		0.19	0.25
Share Public Issue Expenses		78.69	107.59
		79.04	108.15
		16895.02	5,711.94
Notes on Accounts	12		

The Schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S
Place: Chennai
Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary



Consolidated Profit And Loss Account For The Year Ended 31st March 2011

(₹) in Lakhs

	Schedule	For the year ended	
		31.03.2011	31.03.2010
INCOME			
Software Development Services, Education & Training (Net of Service Tax of ₹ 27507209/-Previous Year ₹ 12305928/-)	9	9065.38	5208.81
Export Income		3116.02	-
Sale of Machinery (Net of VAT of ₹16,231/- (Previous Year ₹49,810/-)		-	3.09
Other Income	10	34.84	56.40
		12216.24	5,268.30
EXPENDITURE			
Purchase of Software		1076.31	1503.33
Administrative Expenses	11	4376.69	714.89
Interest on Working Capital Loans		33.53	43.41
Course Content and Brand Expenses W/off		1069.31	439.49
Depreciation		180.01	150.10
Share Issue Expenses written off		35.37	35.37
Preliminary Expenses		0.21	0.10
		6771.43	2,886.69
Profit Before Tax		5444.81	2,381.61
Less: Provision for Income Tax - Current		1121.56	436.55
Add (+) / Less (-) Provision for Deferred Tax		201.36	143.05
		1,322.92	579.60
Profit After Tax		4121.89	1,802.01
Less: Provision for Dividend		474.14	360.18
Less: Provision for Dividend Distribution Tax		80.58	61.21
		554.71	421.39
Profit after appropriations		3567.18	1,380.62
Less: Transfer to General Reserve		416.90	180.20
Profit carried to Balance Sheet		3150.28	1,200.42
Earnings Per Share (In ₹)			
Basic		29.71	15.01
Diluted		29.49	14.97
Nominal Value per Share		10.00	10.00
Notes on the Accounts & Significant Accounting Policies	12		

The Schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account.

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S
Place: Chennai
Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan	Chairman & CEO
G. Gita	Managing Director
S. Arvind	Director
Ilango Balakrishna	Director
T.S. Ravichandran	Director
G. Raghavan	Company Secretary



Consolidated Cash Flow Statement For The Period Ended 31st March 2011

(₹) in Lakhs

PARTICULARS	31.3.2011	31.3.2010
A. Cash flow from Operating Activities		
Net profit as per Profit and loss account	4121.89	1,802.01
ADJUSTMENTS FOR		
Depreciation in books	180.01	150.10
Preliminary expenditure written off	0.21	0.10
Deferred Tax	201.36	143.06
Share Issue Expenses written off	35.37	35.37
Provision for Income tax & FBT	1,121.56	436.55
Operating cash flows before adjusting for working capital changes	5660.40	2,567.18
Adjustment for Working Capital changes		
Decrease/(Increase) in Sundry debtors	(6183.64)	(2,136.21)
Decrease/(Increase) In other Current assets	(944.75)	(663.36)
Increase / (Decrease) in Current liabilities and provisions	677.67	377.68
Operating cash flow after Adjusting for working Capital changes	(790.32)	1,472.00
Net Cash Flow from operating activities - A	(790.32)	1,472.00
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	1,313.68	487.00
Product Development Expenses	3,011.71	1,097.89
Preliminary and Pre Operative Expenditure	-	0.46
Net cash From Investing activities - B	4,325.39	1,585.35
C. Cash flow from Financing Activities		
Proceeds from Share Capital	357.12	-
Proceeds from Share Application	825.00	49.01
Proceeds from Share Premium	6,573.52	-
Proceeds from Bank & other Loans	(341.10)	596.54
Share Issue Expenses	(6.47)	(10.65)



Consolidated Cash flow statement for the period ended (Contd.,)

Provision for Dividend and Dividend Tax	(554.71)	(421.39)
Net Cash Flow From Financing Activities - C	6,853.36	213.51
Net Increase in cash and Cash equivalents (A + B + C)	1,737.65	100.15
Add: Cash and cash equivalents at the beginning of the year	961.36	861.21
Cash and cash equivalents at the end of the year	2,699.01	961.36
Reconciliation		
Cash and cash equivalents at the end of the year	2,699.01	961.36
Add: Unrealised Exchange Fluctuation loss/(gain)	-	-
Cash and cash equivalents at the end of the year(as above)	2,699.01	961.36

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S
Place: Chennai
Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan	Chairman & CEO
G. Gita	Managing Director
S. Arvind	Director
Ilango Balakrishna	Director
T.S. Ravichandran	Director

G. Raghavan	Company Secretary
--------------------	--------------------------



Consolidated Schedules Forming Part Of Balance Sheet As At 31st March 2011

(₹) in Lakhs

SCHEDULE - 1 - SHARE CAPITAL	As at 31.03.2011	As at 31.03.2010
Authorised		
2,50,00,000 Equity Shares of ₹ 10/- each (Prev.Yr 2,50,00,000 Equity Shares of ₹ 10/- each)	2500.00	2500.00
Issued, Subscribed and Paid up		
1,55,77,242 Equity Shares of ₹10/- each fully paid up	1557.72	1200.60
Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issued as Bonus Shares (Previous Year 1,20,06,000 Equity Shares of ₹ 10/- each fully paid up. Out of the above 56,66,800/- Equity Shares of ₹ 10/- each fully paid issued as Bonus Shares)	1557.72	1200.60
SCHEDULE - 2 - RESERVES AND SURPLUS	As at 31.03.2011	As at 31.03.2010
Share Premium Account		
Share Premium Opening Balance	2040.00	2040.00
Add: Additions during the year on issue of QIP and Preferential Issue	6573.53	-
Out of the total premium collected during the year an amount of Rs. 15656182/- being QIP Issue Expenses has been adjusted) Previous Year NIL	8613.53	2040.00
General Reserves		
Opening Balance	180.20	-
Add: Additions during the year	416.90	180.20
	597.10	180.20
Profit and Loss Account		
Profit and Loss Account Opening Balance	1442.56	242.16
Add: Profit brought forward from P & L Account	3150.28	1200.40
Less Capitalised for issue of Bonus Shares	4592.83	1442.56
TOTAL	13803.46	3662.76



Consolidated Schedules forming part of Balance Sheet as at 31st March 2011 (Contd...)

(₹) in Lakhs

SCHEDULE - 3 - FIXED ASSETS								
FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1.4.2010	Addi tion	Dele tion	As on 31.03.2011	UPTO 31.3.2010	Dele tion	As on 31.03.2011	As on 31.03.2010
INTANGIBLE ASSETS	97.24	828.9	-	926.14	67.61	-	837.97	29.63
(Computer Software & IP Rights)								
Plant & Machinery	0.36	9.67	-	10.03	0.11	-	9.73	0.25
Office Equipments	8.46	2.89	-	11.34	0.18	-	4.63	8.27
Furniture & Fixtures	145.95	376.74	-	522.69	2.18	-	510.81	143.77
Vehicles	28.97	-	-	28.97	0.91	-	27.03	28.06
Computers	896.77	95.49	-	992.26	142.04	-	708.24	754.75
TOTAL	1177.75	1313.69	-	2491.43	213.03	-	2098.41	964.73
Previous Year	(690.76)	(487.00)	-	(1,177.76)	(62.92)	-	(964.73)	(627.83)

(₹) in Lakhs

SCHEDULE - 4 - INVESTMENTS			As at 31.03.2011	As at 31.03.2010
In Subsidiaries & others companies				
Trade, Unquoted, At Cost Value				
Equity Shares of ₹ 10/-each fully paid up of Onspec Technologies P Ltd			8.50	8.50
TOTAL			8.50	8.50

SCHEDULE - 5 - SUNDRY DEBTORS(UNSECURED-CONSIDERED GOOD)			As at 31.03.2011	As at 31.03.2010
Debts outstanding for a period exceeding 6 months			3220.90	607.36
Other Debts			5759.95	2189.85
TOTAL			8980.85	2797.21

SCHEDULE - 6 - CASH AND BANK BALANCES			As at 31.03.2011	As at 31.03.2010
Cash on hand			27.42	9.34
Balance with Banks in current accounts[Scheduled Banks			2231.86	298.53
Balance with Banks in Deposit accounts[Scheduled Banks			409.17	608.57
Balance with Banks in current accounts[Others			29.96	44.92
Balance in Unpaid Dividend Account			0.60	-
TOTAL			2699.01	961.36



Consolidated Schedules forming part of Balance Sheet as at 31st March 2011 (Contd...)

(₹) in Lakhs

SCHEDULE - 7 - LOANS AND ADVANCES	As at 31.03.2011	As at 31.03.2010
Advances recoverable in cash or in kind or for value to be received - Considered Good	102.46	24.00
Advance to suppliers	480.40	-
Rent Deposits	38.87	33.20
Inter Corporate Deposit	5.00	-
Due from Director	-	0.79
Service Tax Input Credit	242.88	49.03
VAT Input Credit	55.22	5.54
Advance Income Tax	218.02	88.02
Income Tax Deducted at Source on Income	13.65	8.64
Income Tax Deducted at Source on Interest held in Banks	2.12	4.65
	1158.62	213.87
SCHEDULE - 8 - CURRENT LIABILITIES & PROVISIONS	As at 31.03.2011	As at 31.03.2010
Current Liabilities		
Sundry Creditors for Expenses and Services (Other than Micro Enterprises and Small Enterprises)	756.37	33.37
Dues to Director	2.21	-
Provident Fund Payable	2.05	1.13
ESI Payable	0.79	0.12
Professional Tax Payable	1.49	0.66
TD5 Payable	20.77	-
VAT Payable	-	2.31
Service Tax Payable	235.51	185.91
Unpaid Dividend	0.60	-
Provisions		
Provision for Dividend	467.32	360.18
Provision for Gratuity	13.77	8.93
Provision for Taxes on Distributed Profits	79.42	61.21
Provision for Income Tax	1216.70	441.52
TOTAL	2797.00	1095.34

Consolidated Schedules forming part of Profit and Loss as at 31st March 2011

SCHEDULE - 9 - SALES	For the year ended	
	31.03.2011	31.03.2010
Software Trading and Sales	-	1659.46
Royalty - Franchise Centers	-	0.41
Training, Media Reimbursement, Course Content	-	282.04
Reimbursement of Vocational Training	4152.73	1859.42
Application Fees	2277.52	50.14
Recruitment services	-	0.26
Student Registration Fee	24.83	576.61
Brand License Access Fee	1171.35	780.48
School Fees	1438.76	-
TOTAL	9065.38	5208.81

Consolidated Schedules forming part of Profit and Loss as at 31st March 2011 (Contd...)

(₹) in Lakhs

SCHEDULE - 10 - OTHER INCOME	For the year ended	
	31.03.2011	31.03.2010
Interest received from Bank (Tax deducted on above ₹211764/- (Previous Year ₹ 465768/-)	34.84	56.39
Miscellaneous Income	-	0.01
TOTAL	34.84	56.40
SCHEDULE - 11 - ADMINISTRATIVE EXPENSES	For the year ended	
	31.03.2011	31.03.2010
Rent	66.46	39.11
Advertisement Expenses	636.37	58.40
Electricity	10.40	7.31
Printing and Stationeries	10.59	18.59
Repairs and Maintenance-Building	3.80	1.81
Repair and Maintenance -Others	35.60	18.84
Telephone and Fax Charges	71.09	12.22
Employment Expenses	871.96	203.79
Commission to Executive Directors	80.00	-
Commission to Non Executive Directors	21.53	-
Postage Telegram & Couriers	5.48	2.78
Travelling and Conveyance	93.84	30.50
Other Administration & Miscellaneous charges	1119.45	42.93
MODES Expenses	1245.20	207.49
Sponsorship Charges	-	10.28
Bank charges	1.90	1.12
Vehicle Finance Charges	2.04	1.57
Interest on other Loans	4.18	-
Audit Fees	25.00	5.00
Internal Audit Fees	3.00	-
Consultancy & Legal Charges	68.80	53.15
TOTAL	4376.69	714.89

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered AccountantsV. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S

Place: Chennai

Date:30.05.2011

For and on behalf of the Board of Directors

S. Giridharan	Chairman & CEO
G. Gita	Managing Director
S. Arvind	Director
Ilango Balakrishna	Director
T.S. Ravichandran	Director

G. Raghavan**Company Secretary**

Consolidated Schedule Notes Forming Part of the Accounts

SCHEDULE 12

Basis for preparation of statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAPP) in India and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, to the extent applicable.

Principles of Consolidation

The consolidated Financial statements relate to The Edserv Softsystems Limited the company and its subsidiary Vidhyadhana Education Services Private Limited (collectively referred to as the Group). The consolidation of the financial statements of the company with its subsidiaries has been prepared in accordance with the requirements of Accounting standard (AS) 21 " Consolidated Financial statements ". The Financial statements of the parents and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealized profit or losses are fully eliminated.

The Financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting dates as that of the company i e 31st March 2011.

Revenue Recognition

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on an accrual basis. Sales are recognized when services are rendered. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Sign up Fees are accounted in the year of sign up.

Fixed Assets

Fixed Assets are stated at original cost less depreciation. Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction related pre-operative expenses form part of the value of the assets capitalised.

Capitalisation and Amortisation of Software Product Acquisition and Product Development Costs

Costs incurred towards acquisition and development of Computer Software products meant for sale, lease or otherwise marketed, are capitalised until the product is available for release to the customers. Capitalized Software Costs are amortised on a product-by-product basis based on straight-line method over the estimated economic life of the product. The carrying value of Capitalised Software Costs is reviewed at each Balance Sheet date and adjusted for any changes to the estimated economic life of the product.

Depreciation

Depreciation is charged for those assets which have been put into use during the year under straight line method on pro rata basis at the rates specified in Schedule XIV to the Companies Act, 1956 as amended by the Government of India, Ministry of Law, Justice & Company Affairs vide notification No. GSR 756 (E) dated 16.12.1993.

Depreciation on additions/deletions for the period is provided pro rata with reference to the month of addition/deletion.

Depreciation on Intangible Assets (Computer Software) are provided based on the management's estimate of useful lives and at the rate of 16.21% pro rata with reference to the month of addition/deletion.

Investments

Investments are valued at cost price. Any temporary diminution in the value of investment meant to be held for a long term is not recognized. There is no impairment perceived in investments as on date.

Taxation

The current charge for Income Tax and Fringe Benefit Tax is based on the tax liability computed after considering tax allowances and exemptions.

Deferred tax is provided using the liability method in respect of taxation effect arising from all material timing difference between the accounting and Tax treatment of Income and Expenditure which are expected with reasonable probability to crystallise in the foreseeable future.

Earnings per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Deferred Revenue Expenditure

The expenses relating to Brand Building and development of Course Content is deferred and the amount is written off over a period of 5 years from the year in which the expenditure is incurred.



Public Issue Expenses

Expenses related to Initial Public Offering (IPO) are written off in 5 equal instalments starting from the year of public issue.

Cash Flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Employee Benefits

Expenses and Liabilities in respect of Employee benefits are recorded in accordance with Revised Accounting Standard 15 – Employee Benefits (Revised 2005)

I. Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of Gratuity is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for recognized actuarial gains or losses and past service costs. . The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses are determined.

II. Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution payable is recognized as an expense in the period in which services are rendered by the employee.

Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the Profit and Loss Account on a straight tline basis over the lease term.

Impairment of Assets

The Company assesses at each Balance Shet date whether there is any indication that an asset may be impaired. If any such

indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Foreign Exchange Transactions

The Revenue earnings are accounted on estimated basis at the date of the transaction and the Exchange Fluctuation is accounted separately on realisation.

Segment Reporting

The Company operates in the same segment which are subject to same risks and returns.

Miscellaneous Expenditure

Preliminary Expenses is amortised over a period of 10 years in respect of Edserv Softsystems Limited and over a period of 5 years in respect of Vidhyadhana Education Private Limited.

Interim Financial Reporting

Quarterly Financial results are published in accordance with the guidelines given by SEBI. The recognition ad measurement and measurement principles are laid down in the Standard are followed with respect to such results. The Quarterly results are also subjected to a limited review by the auditors as required by SEBI.

Contingent Liabilities

1. Depending upon the facts of each case and after due evaluation of legal aspect, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.



2. Employee Benefits:

Gratuity

Amount recognized in the Profit and Loss Account is as under:

Description	Year ended (in ₹)	
	31.3.2011	31.3.2010
Current Service Cost	5,16,216	7,76,529
Interest Cost	71,444	-
Actuarial (Gain)/Loss recognized during the year	(1,04,011)	-
Past Service Cost	-	-
TOTAL	4,83,649	7,76,529

Movement in the liability recognized in the Balance Sheet is as under;

Description	Year ended (in ₹)	
	31.3.2011	31.3.2010
Present value of defined benefit obligation as at the beginning of the year	8,93,047	1,16,528
Current Service Cost	4,83,649	7,76,529
Actuarial (Gain)/Loss recognized during the year	-	-
Past Service Cost	-	-
TOTAL	13,76,696	8,93,047

The company has not funded the above amount. The Gratuity is determined for all the employees of the Company on the basis of an independent actuarial valuation. The specific amount of gratuity for Whole Time Directors cannot be ascertained separately and accordingly the same has not been given separately. For determination of the Gratuity liability of the Company, it is assumed at a Discount rate of 8%, rate of increase in compensation levels of 5%, resignation rate per annum 3% and LIC mortality table 1994-96 for valuation.

Contributions made by the Company to Provident Fund during the year is Rs. 7,86,889/- (Previous Year Rs. 4,39,080/-)

3. Earnings per Share Basic and Diluted Earnings Per Share

	2011	2010
No. of Equity Shares allotted at the beginning of the year	1,20,06,000	1,20,06,000
No. of Equity Shares application received for preferential allotment	1,9930	568.18
Weighted Average No. of Equity Shares		
For Basic Earnings per Equity Share	13854893	1,20,06,000
For Diluted Earnings per Equity Share	13978136	1,20,62,818
Profit After Tax	411668331	180199592
Basic Earnings per Equity Share	29.75	15.01



4. Related Party Disclosures:

The following are Related Parties where Control exists and where there were transactions.

S.No.	Name	Remarks
1	Mr. S. Giridharan	Director / Managing Director
2	Mrs. G. Gita	Managing Director / Director
3	Vidhyadhana Education Private Limited	Subsidiary

Related Party Transactions for the year ended 31st March 2011:

S.No.	Name	Nature of Transaction	Value of Transaction in (₹)		Balance at year end (₹)	
			2010-11	2009-10	2010-11	2009-10
1	Mr. S. Giridharan	Salary	1,00,00,000	47,40,640	-	-
		PF	9,360	9,360	-	-
		Dividend	17,69,797	17,69,797	-	-
2	Mrs. G. Gita	Salary	82,00,000	36,90,640	-	-
		PF	9,360	9,360	-	-
		Dividend	17,69,797	17,69,797	-	-
3	Vidhyadhana Education Private Limited	Sales	4,07,80,846	-	4,07,80,846	-
		Advances	65,65,500	-	65,65,500	-
		Investment		1,00,000	1,00,000	-

5.The Company has taken various offices under operating lease agreements. These are generally cancelable and are renewable by mutual consent on mutually agreed terms. Rental Expenses of Rs. 61,99,391/- (Previous Year Rs. 39,11,118/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account.

6.Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Consolidated Financial Statements.

As Per Our Report of Event Date

For RAJ AND RAVI
Chartered Accountants

V. RAJ
Partner
Membership No. 23211
Firm Registration No. 010935 S

Place: Chennai

Date: 30.05.2011

For and on behalf of the Board of Directors

S. Giridharan Chairman & CEO
G. Gita Managing Director
S. Arvind Director
Ilango Balakrishna Director
T.S. Ravichandran Director

G. Raghavan Company Secretary



Form For ECS Mandate/Bank Account Details

Members authorization to receive dividends through Electronic Credit Clearing Mechanism:

1.	First/Sole Shareholder's Name
2.	Registered Folio No. (If shares are not de-materialized)
	<ul style="list-style-type: none"> • DP ID No. • Client ID No. (If shares are de materialized)
3.	Particulars of bank Account of First/Sole member
	<ul style="list-style-type: none"> • Bank Name • Branch Name • Address of the Branch with (PIN Code) • Telephone Number and Fax number • 9 digit MICR Code number of the bank and branch as appearing on the MICR cheques issued by the bank • Account type (Savings/Current/Cash Credit with code 10/11/13) • Account Number as appearing on the Cheque Book • Ledger no. / Ledger Folio no. (If appearing on the cheque book/pass book)

(Please attach a cancelled blank cheque or photocopy of a cheque issued by your Bank for verification of the above details).

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We would not hold Edserv Softsystems Limited responsible. I/We, understand that the Company also reserves their right to send the dividend payable to me/us by a physical dividend warrant on account of unforeseen circumstances beyond the control of the company that may affect the payment of dividend through ECS.

Place:

Yours faithfully,

Date:

(Name and signature of First/Sole Shareholder)

Certified that the particulars furnished above are correct as per our records.

Place:

Date:

Signature of the Branch Manager

Note:

- Please send the duly filled in mandate form to the Depository Participant who is maintaining demat account in case you hold shares in de materialized form The Registrars and Share Transfer Agent – Karvy Computershare Pvt. Ltd., Plot No. 17-24, Vittal, Rao Nagar, Madhapur, Hyderabad - 500 081., Tel : 040-44655000, Fax : 040-23420814, Email : einward.ris@karvy.com , in case you hold shares in physical form.
- Kindly fill in all columns and send it before 20.09.2011 to the Registrar i.e M/s. Karvy Computershare Private Limited, incomplete forms shall not be entertained.
- The ECS facility is available at present at certain specified cities only.



Statement Pursuant to Section 212 (1) (e) Of The Companies Act, 1956 Relating To The Subsidiary Company

NAME OF THE SUBSIDIARY	VIDHYADHANA EDUCATION PRIVATE LTD
a. The extent of Holding Company's interest in the Subsidiary as on 31st March 2011 is as under:	10,000 Equity Shares of ₹10/- each fully paid up are held by the Directors of the Holding Company.
	Percentage of Holding in Subsidiary Company is 100%
	Share Capital ₹1,00,000
b. Net aggregate losses of the subsidiary for the current period so far as it concerns the members of the holding company	Dealt with in the accounts of the holding company ₹ 52.33 Lakhs Not dealt with in the accounts of the holding company NIL
c. Net aggregate profits / losses of the subsidiary for the previous financial years so far as it concerns the members of the holding company	Dealt with in the accounts of the holding company NIL Not dealt with in the accounts of the holding company NIL

For and on behalf of the Board

S. Giridharan, Director

G. Gita, Director

Disclaimer

The company has taken its best efforts to get this Annual Report prepared with all accurate information at the time of print. The company acknowledges all trademarks, copyrights of products and brands referred in this report. Certain statements that this Annual Report contains are of future expectations and other forward-looking nature. These expectations are based on management's views and assumptions at the time of print and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular those that affect the education industry (ii) general competitive factors (iii) changes in laws and regulations, and (iv) changes in the policies of governments and/or regulatory authorities. EdServ Softsystems Limited assumes no obligation to update any forward-looking information contained in this document.





EDSERV SOFTSYSTEMS LIMITED

Registered Office
New No.139, Arcot Road, Kodambakkam
Chennai 600024, India

ATTENDANCE SLIP

I, Mr./Mrs./Miss.....LF/Client ID No.....
hereby record my presence at the 10th Annual General Meeting of EdServ Softsystems Limited at the
Kamaraj Arangam, No.492, Anna Salai, Teynampet, Chennai 600006

.....
Signature of the Shareholder/Proxy

Notes:

1. Please fill in the Attendance slip and hand it over at the entrance of the hall.
2. Shareholders are requested to bring their copies of the notice document with them.



EDSERV SOFTSYSTEMS LIMITED

Registered Office
New No.139, Arcot Road, Kodambakkam,
Chennai 600024, India

PROXY SLIP

I, Mr./Mrs./Miss..... LF/Client ID No.....
Address
hereby appoint of
or/failing him of
as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the
10th Annual General Meeting of the company to be held at 11.00 am on 29th September, 2011
at any adjournment thereof. **In Witness** where of I/We have set my/our hand/hands
this..... day of 2011.

Please
Affix
₹ 1/-
Revenue
Stamp

Signature of the Shareholder
(Across the stamp)

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.
2. A One Rupee Revenue Stamp should be affixed to this and should then be signed by the Member.
3. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power of authority duly certified by a notary or other proper authority shall be deposited at the Registered Office of the Company not later than 48 hours before the time for the holding of the meeting in default, the instrument of proxy shall not be treated as valid.

EdServ
EDUCATE TO ELEVATE

FRANCHISEE WANTED

Encash the opportunity in e-learning. Seed-in today to a bright future.



EdSeed is an Institutional division of EdServ, successfully operating learning & training projects for various State Central Government schools and initiatives to "Empower Real India".

The gamut EdSeed offers is tailor made in both content and Instructor led mode. The Division offers a wide scope of revenue generation from formal and non-formal education.

EdSeed wishes to attract Franchisee partners who can exponentially grow their revenues and profits on a sustained model by co-partnering in project implementation.

For more details
Call Mr. Parveen
09831...
parveez...

EdServ
EDUCATE TO ELEVATE

Score High, from KG to PG

No more worries in finding the best tutor to teach the most crucial subjects and courses.



Edserv unveils
www.lampsglow.com
learning store on the

Come on now... break from AIEEE, CA-CPT, CA inter once and for all!

Videos | National Courses | Asses

1000 Sure shot questions

CALL CENTER 044-3... (7.00pm to 9.00pm)

Hi-Tech Schools
Fun Filled Learning through Technology in Education



EdServ unveils a new learning solution that can help you score high in your exams. This is a unique and innovative approach to learning that uses technology to make learning fun and effective. The program is designed to help students understand complex concepts and apply them in real-world situations. It includes interactive videos, practice questions, and live tutoring sessions. This is a great opportunity for students to improve their grades and gain a deeper understanding of their subjects.

EdServ
EDUCATE TO ELEVATE

WANTED MASTER DISTRIBUTORS

Lampsglow.com is an online education platform that offers a wide range of learning solutions for students from

To become our master distributor, all you would require is minimum investment & maximum drive to perform, earn and succeed.

lampsglow.com
Learning United
www.lampsglow.com

CALL CENTER 044 3988 5533 (7.00am to 9.00pm)

080-39885533 (7.00am to 9.00pm)

lampsglow.com
Learning United
www.lampsglow.com

delivered by a team of one of India's senior most & best record of coaching CA aspirants to success. The Master Program is a powerful learning program that covers the various facets of CA learning which includes:

- Concept Clarity
- Practical applications
- Working with shortcuts
- Quick tips and tricks

Anytime, Anywhere access to our videos and study material.

All These At An Affordable Price!

EdServ
EDUCATE TO ELEVATE

Secure your berth easily

IIT-JEE/AIEEE | This module comprises of Ebooks, Unlimited Model Tests, Videos and 1000

CA-CPT | The course comprises of intensive online learning lectures with vivid

CA-IPCC & CA-FINAL | The program focuses on creating clarity in concepts and applying a strong foundation in the basics before proceeding to help students solve

Courses | Assessments | Live Tuitions | Test Preps | Workbooks | Lectures
Videos | 1000 Sure shot questions | National Rank Prediction | Unlimited model tests

lampsglow.com
Learning United
www.lampsglow.com

CALL CENTER 044-39885533 (7.00am to 9.00pm)





EDSERV SOFTSYSTEMS LIMITED
New No.139, I Floor, PANNA PLAZA,
Arcot Road, Kodambakkam, Chennai 600024, India

Tel: +91 44 23724088
info@edserv.in
www.edserv.com