

Comp-U-Learn Tech India Ltd.



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3rd
ANNUAL REPORT
1999-2000

BOARD OF DIRECTORS

Mr. Sreenivasa Rao Donepudi	Managing Director
Mr. Y.S.Chakravarti	Whole time Director
Ms.Anupama Donepudi	Director
Mr.Mukesh Agarwal	Director
Mr.R.Kannan	Director
Mr.Prakash Bhat	Director

AUDITORS

M/s Brahmayya & Co.

Chartered Accountants
Andhra Insurance Building,
156, Thambu Chetty Street,
Chennai -600001.

BANKERS

Bank of Madura Ltd.,

K.J.Market, Koti,
Hyderabad.

Vysya Bank Ltd.,

Trimulgherry Branch,
Secunderabad.

REGISTRARS &

SHARE TRANSFER AGENTS

M/s Karvy Consultants Limited
Karvy House, 46, Avenue 4,
Street # 1, Banjara Hills
Hyderabad -500034.

REGISTERED OFFICE

172, Vasavi Nagar Colony,
Secunderabad -500015.

LISTED AT

THE STOCK EXCHANGE OF MUMBAI
THE HYDERABAD STOCK EXCHANGE LIMITED

NOTICE

Notice is hereby given that the third Annual General Meeting of the Company will be held on Wednesday the 29th of November 2000 At 10.30 AM at The Chip Hall, Cyber Towers, HITEC City, Madhapur, Hyderabad-500033 to transact the following business:

A. ORDINARY BUSINESS

1. To consider and approve the Annual Accounts for the year ended 31st March 2000 including Audited Profit & Loss Account for the period ended from 01.04.1999 to 31.03.2000 and Balance Sheet for the period beginning from 01.04.1999 to 31.03.2000, together with the Auditors report and the Directors report thereon.

2. To consider and if thought fit to pass with or without modifications the following resolution as Ordinary resolution.

"RESOLVED THAT the Auditors of the Company M/s Brahmayya & Co, Chartered Accountants, Chennai who retire at this meeting, being eligible and willing to act as Statutory auditors be and are hereby appointed as Auditors of the Company holding office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board, in addition to out of pocket expenses as may be incurred by such auditors in connection with the audit of the company".

B. SPECIAL BUSINESS

1. To consider and if thought fit to pass with or without modifications the following resolution as special resolution.

"RESOLVED THAT pursuant to section 31 (1) of the Companies Act, 1956 and subject to the provisions of the Act and to the conditions contained in the Memorandum, the Articles of Association of the Company be altered in the following manner:

ARTICLE 4. FURTHER ISSUE AND ALLOTMENT OF SHARES.

Article 4 relating to further issue and allotment of shares shall be amended by replacing the existing sub clause 4(c) with the following clause and by adding further sub clauses 4(d), (e) and (f) as mentioned below.

- 4 (c) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- (i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company,

in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.

- (ii) Such offer shall be made by a notice specifying the number of shares offered and limiting the time to not less than thirty days from the date of the offer and the offer if not accepted will be deemed to have been declined.

- (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (ii) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- (iv) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.

- 4 (d) Notwithstanding anything contained in sub clause (c) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub clause 4(c) hereof) in any manner whatsoever.

- (i) If a special resolution to that effect is passed by the company in General Meeting, or

- (ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members, so entitled and voting and the central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company

- 4 (e) Nothing in sub clause (iii) of 4(c) hereof shall be deemed;

- (i) To extend the time within which the offer should be accepted; or

- (ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the

renunciation was first made has declined to take the shares comprised in the renunciation.

- 4 (f) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company.:

- A. To convert such debentures or loans into shares in the company; or
- B. To subscribe for shares in the company (whether such option is conferred in these articles or Otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- (ii) In the case of debentures or loans or other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

ARTICLE 6.CERTIFICATES.

Article 6 shall be amended such that the following clauses shall replace the existing clauses 6 (b), (c) and (d):

- 6 (b) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares.
- 6 (c) The Company shall complete and have for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe.
- 6 (d) Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company

shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of such several joint holders shall be sufficient delivery to all such holders.

ARTICLE 7.CALLS ON SHARES

Clause 7 (f) shall be amended such that clause 7 (f) (ii) shall be replaced by the following clause f (ii) and sub clauses f (iii) and clause f (iv) shall be added.

7f (ii) Upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

7f (iii) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

7f (iv) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

ARTICLE 8.LIEN

Article 8 relating to lien on shares/debentures shall be amended such that sub clause (f) shall be added as given below:

8 (f) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

ARTICLE 11A. TERMS OF ISSUE OF DEBENTURE:

A new article relating to terms of issue of Debentures shall be inserted. The article shall be as mentioned below:

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

ARTICLE 14.TRANSFER OF SHARES.

Article 14 relating to Transfer of Shares shall be amended such that clause 14 (e) shall be deleted. Clause (iii) shall be added to sub clause 14 (b) and further sub clause 14 (d) shall be replaced with the clause as mentioned below:

- 14 (b) (iii) But in such cases as mentioned in clause (i) of sub clause 14 (a) and clauses (i) and (ii) of sub clause 14 (b), the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer, provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except when the company has a lien on the shares.

Transfer of shares/debentures on whatever lot shall not be refused.

14(d) No fee shall be charged for registration of transfer, transmission, succession certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

2. To consider and if thought fit to pass with or without modification the following resolution as special resolution:

"RESOLVED THAT subject to the approval of the Reserve Bank of India and the Foreign Investment Promotions Board (FIPB) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and as per section 372A of the Companies Act, 1956, consent of the Company be and is hereby accorded to the acquisition of 10% stake in Comp-u-Learn Inc. U.S.A involving an investment in cash of US\$500,000 and a retainer fee of US\$25,000 which when converted to Indian Rupees comes to Rs.228.90 lakhs.

Further resolved that Company shall acquire 90% or part thereof of the equity of Compulearn Inc. within a period of 180 days from the closure of the initial acquisition of 10% equity. The 90% acquisition shall be in the form of equity and based upon the swap ratio to be decided upon the valuation of the shares of both the companies being completed by the consultants Earnest & Young engaged by the company for the same purpose."

3. To consider and if thought fit to pass with or without modifications the following resolution as special resolution:

"RESOLVED THAT in modification of resolution passed earlier on 21.02.2000 by the shareholders at the Extra ordinary General Meeting of the Company, Mr.Srinivasa Rao Donepudi be paid remuneration as mentioned hereunder from 24.01.2000 for a period of five years whether the same may be or not, in excess of the ceiling limits laid down in Section 198(1)/309(3) of the Companies Act and Section II of Part II of Schedule XIII of the Companies Act, subject to the approval of the Central Government under Section 269, 198/309 of the Companies Act, 1956.

REMUNERATION:

Salary: Rs.210, 000 p.m.

Perquisites: Perquisites shall be reckoned on the basis of actual expenditure or liability incurred by the Company as provided under explanation to section 198 of the Companies Act, 1956. The Perquisites may be paid as stated below and shall be limited to Rs.360,000 per annum.

- i) Housing: The expenditure incurred by the Company on hiring accommodation shall be limited to Rs.360,000 per annum. If the Company does not provide accommodation, House rent allowance will be paid by the Company in accordance with the para mentioned above."

4. To consider and if thought fit to pass with or without modifications the following resolution as special resolution.

"RESOLVED THAT pursuant to section 269, 309, 310, 311, 198 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the variation in the terms of appointment of Sri Y.S.Chakravarti appointed as Whole time Director of the Company for a period of five years with effect from 24.01.2000 and approved earlier by the Shareholders at the Extraordinary General Meeting held on 21.02.2000, such that where in any financial year during the currency of tenure of the Whole time Director, if there are no profits or profits are inadequate, the remuneration by way of salary, dearness allowances, perquisites and any other allowances shall not exceed limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956."

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

"RESOLVED THAT Mr.Mukesh Agarwal, who was appointed as Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and in respect of whom the Company received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 expressing his intention of proposing Mr.Mukesh Agarwal for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation and holding office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting".

- 6.. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr.R.Kannan, who was appointed as a regular director at the Annual General

Meeting of the Company held on 14th September, 1998 for a period of three years but has to retire at this General Meeting consequent to the conversion of the Company from Private Limited to Public Limited and pursuant to the provisions of Section 255 of the Companies Act, 1956 and in respect of whom the Company received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 expressing his intention of proposing Mr.R.Kannan for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation and holding office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting".

7. To consider and if thought fit to pass with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT Mr.Prakash Bhat, who was appointed as a regular director at the Annual General Meeting of the Company held on 14th September, 1998 for a period of three years but has to retire at this General Meeting consequent to the conversion of the Company from Private Limited to Public Limited and pursuant to the provisions of Section 255 of the Companies Act, 1956 and in respect of whom the Company received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 expressing his intention of proposing Mr.Prakash Bhat for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation and holding office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting".

8. To consider and if thought fit to pass with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT Mr.Y.S.Chakravarti, who was appointed as a regular director at the Annual General Meeting of the Company held on 14th September, 1998 for a period of three years but has to retire at this General Meeting consequent to the conversion of the Company from Private Limited to Public Limited and pursuant to the

provisions of Section 255 of the Companies Act, 1956 and in respect of whom the Company received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956 expressing his intention of proposing Mr.Y.S.Chakravarti for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation and holding office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting".

By Order of the Board

Place: Secunderabad
Date: 24th of October 2000

SREENIVASA RAO DONEPUDI
MANAGING
DIRECTOR

NOTES:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company.
- (2) A blank form of proxy is enclosed and if intended to be used, it should be returned to the company at its registered office not less than Forty Eight hours before the commencement of the Annual General Meeting duly completed.
- (3) An explanatory statement pursuant to section 173(2) of the companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is attached.
- (4) The Register of Members and Transfer Books of the company will remain closed from 28.11.2000 to 29.11.2000 both days inclusive.
- (5) The Members are requested to send the share transfers and other related correspondence to the Registrars and Share Transfer Agents. Karvy Consultants Limited, Unit: Comp-U-Learn Tech India Limited, Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad -500034. and also notify immediately, any change in their address quoting their respective folio Numbers to the same address.
- (6) Members are requested to bring their copy of the Annual Report along with the attendance slips to the Meeting.