



**Comp-U-Learn Tech India Ltd.**

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**7<sup>th</sup>**  
**ANNUAL REPORT**  
**2003-2004**

**BOARD OF DIRECTORS**

Mr. **Sreenivasa Rao Donepudi**  
 Mr. Yalamati Srinivasa Chakravarti  
 Mr. Srinivas Raju Saripalli  
 Mr. Naga Bhushana Rao Vasamsetti  
 Mr. Prasanna. V

Director  
 Director  
 Director  
 Director  
 Executive Director

**AUDITORS**

**M/s Brahmayya & Co.**  
 Chartered Accountants  
 Andhra Insurance Building, 156,  
 Thambu Chetty Street,  
 Chennai - 600 001.

**BANKERS**

**Oriental Bank of Commerce,**  
 156/1, SMR Sartaj Plaza,  
 Sikh Road, Bowenpally,  
 Secunderabad- 500 009

**The Vysya Bank Ltd.,**  
 1-7-1, T. Subbaramireddy Complex,  
 Sardar Patel Road,  
 Secunderabad. - 500 003

**Book Closure**  
 27.09.2004 to 30.09.2004  
 (Both days Inclusive)

**REGISTRARS & SHARE TRANSFER AGENTS**

Big share Services Private Limited,  
 G-10, Left Wing, Amrutha Ville,  
 Opp Yashodha Hospital,  
 Somajiguda, RajBhavan Road,  
 Hyderabad- 500 082.  
 Ph: 040- 23374967  
 Fax: 040- 23370295

**Date, Time and Venue of AGM**  
 30.09.2004, 10.30 AM  
 at The Chip Hall, Cyber Towers,  
 Hi-Tec City, Madhapur,  
 Hyderabad- 500 033.  
 A.P. India

**REGISTERED OFFICE**

# 172, Vasavi Nagar Colony,  
 Secunderabad - 500 015.

**LISTED AT**

The Stock Exchange Mumbai  
 The Hyderabad Stock Exchange Limited

### **NOTICE OF SEVENTH ANNUAL GENERAL MEETING**

Notice is hereby given to all the members of the Company that the seventh Annual General Meeting of the Company will be held on Thursday the 30th September, 2004 at 10.30 a.m. at the Chip Hall, Cyber towers, Hi-tec city, Madhapur, Hyderabad -500033 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Annual Accounts consisting of Balance Sheet as at 31st March, 2004, Profit & Loss Account for the year ended 31st March, 2004 together with notes and schedules thereto and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mukesh Kumar Agarwal who retires by rotation. Mr. Mukesh Agarwal opted not to seek reappointment in view of his preoccupations in USA. In this regard the company proposes not to fill up the vacancy.
3. To appoint a director in place of Mr. D. Ravi Varma who retires by rotation. Mr. D. Ravi Varma opted not to seek reappointment, in view of his preoccupations in USA. In this regard. The Company proposes not to fill up the vacancy.
4. To appoint a director in place of Mr. R Duruvasan who retires by rotation. Mr. R. Duruvasan opted not to seek reappointment, in view of his preoccupations. In this regard The Company proposes not to fill up the vacancy.
5. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s. Brahmayya & Co, Chartered Accountants, Chennai have not opted for reappointment due to administrative reasons. The Board of Directors propose for appointment of M/s. Balaji Viswanath & Co., Chartered Accountants, Hyderabad as the statutory auditors of the Company."

#### **SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass the following with or without modification as an ordinary resolution"

"RESOLVED THAT Mr. Prasanna. V be and is hereby appointed as director of the company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sec. 269, 309, 310, 198 read with Schedule XIII of the Companies Act, 1956 Mr. Prasanna V be and is hereby appointed as the Executive Director of the Company at a remuneration of Rs. 1,80,000/- (Rupees One lakh eighty thousand only) per annum plus house rent not exceeding Rs. 60,000/- per annum.

"RESOLVED FURTHER THAT Mr. Prasanna V the appointee be paid such other perquisites towards provident fund, gratuity, superannuation fund, leave encashment, medical reimbursement, leave travel allowance, telephone, conveyance as may be applicable to the senior executives of the company. "

**7. Delisting of Shares from The Hyderabad Stock Exchange Limited:**

"RESOLVED THAT the equity shares of the company be delisted from the Hyderabad Stock Exchange Limited in accordance with the SEBI regulations for delisting of shares by listed companies. "

**By order of the Board,  
For Comp-U-Learn Tech India Limited,**

**Place: Secunderabad  
Date: 6th September 2004**

**Prasanna V  
Executive Director**

**NOTES:**

- I. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ENCLOSED HERewith. PROXY FORM IF INTENDED TO BE USED, IT SHOULD BE RETURNED TO THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE ANNUAL GENERAL MEETING.
- II. The Register of members and the Share Transfer Register will remain closed from 27th September 2004 to 30th September 2004 (both days inclusive) in terms of the provisions of section 154 of the Companies Act, 1956.
- III. Explanatory statement pursuant to the provisions of section 173(2) of the Companies Act 1956 is annexed and forms part of this notice.
- IV. The members are requested to intimate promptly any change in their address to the share transfer agent Big share Services Private Limited, G-10, Left Wing, Amrutha Ville, Opp Yashodha Hospital, Somajiguda, RajBhavan, Hyderabad- 500 082 .Ph: 040-23374967, Fax: 040- 23370295.
- V. The Statutory Auditors of the company viz., M/s. Brahmayya & Co are located at Chennai. Whereas the company's business is being carried out from Hyderabad. In view of their preoccupations from their Chennai office, they have expressed their inability to get reappointed. Hence the change.

**Explanatory Statement**

(Pursuant to Sec.173 (2) of the companies Act, 1956)

**Item No.6.**

The Board of directors of the company has appointed Mr. Prasanna V as a director of the Company. Mr. Prasanna. V is a Master of Business Administration. He is having 11 years experience in Finance and Accounts functions and he is presently looking after finance functions of the company. The Board of Directors accordingly propose for the appointment of Mr. Prasanna V as the executive director of the Company.

None of the directors may be treated as interested or concerned in the resolution.

**Item No. 7**

The equity shares of the company are presently traded in Hyderabad and Mumbai Stock Exchanges. However, there was virtually no trading taking place in the shares of the Company in the Hyderabad Stock Exchange. In view of the wide presence of the BSE all over the country through its technological advancement, there is no significant advantage to investors by retaining listing in the Hyderabad Stock Exchange. The shareholders will not be put to any difficulty, as the shares are still available for trading in the Mumbai Stock Exchange. As per SEBI regulations, the consent of the members has to be obtained before delisting of shares from a stock exchange. Hence this resolution.

None of the directors may be treated as interested or concerned in the resolution.

**By order of the Board,****For Comp-U-Learn Tech India Limited,**Report Junction.com

**Place: Secunderabad**  
**Date: 6th September 2004**

**Prasanna V**  
**Executive Director**

**DIRECTORS' REPORT**

To  
The Members

Your Directors present their Seventh Annual Report together with the Audited Accounts for the period ended 31st March 2004.

**FINANCIAL RESULTS:**

The Financial results for the period ended 31st March 2004 are summarized below:

(Rs. in Lakhs)

	2003-2004	2002-2003
Gross Income from Operations	240.24	207.63
Gross Profit/Loss before Depreciation	(55.01)	(143.34)
Less: Finance Charges	4.57	2.01
Depreciation	54.51	65.54
Profit/(Loss)	( 114.09)	(210.89)
Provision for Tax	—	—
Profit/Loss after Tax	(114.09 )	(210.89)
Balance Transferred to Balance sheet	( 836.89)	(722.80)

**PERFORMANCE:**

During the year, the company achieved a turnover of Rs 240.24 Lakhs, which is nearly 15% more than the previous year turnover of Rs 207.63 lakhs.

**DIRECTORS:**

During the year Mr. Sreenivasa Rao Donepudi and Mr. Yalamati Srinivasa Chakravarti have resigned as Managing Director and Wholetime Director respectively from the company to reduce the operational expenditure.

Mr. Mukesh Kumar Agarwal, Mr. Ravi Varma Dantuluri and Mr. R Duruvasan retire at the conclusion of this Annual General Meeting. They did not offer themselves for reappointment and the company has not received any notice U/s 257 of the Companies Act, 1956 to appoint any other persons in place of retiring Directors.

Similarly, Mr. Prasanna V was appointed on 30th of July 2004 as the executive director of the company at remuneration as detailed in the notice of the Annual General Meeting. He is presently heading the finance function of the company and is a Master of Business Administration, with 11 years experience in Finance and Accounts Functions.

**DELISTING OF SECURITIES:**

Your Company is presently listed on The Stock Exchange, Mumbai (BSE) and the Hyderabad Stock Exchange Limited (HSE). The shares of our company are not regularly traded on the Hyderabad Stock Exchange Limited and the entire trading of the company's shares is done

only at BSE.

In view of this your directors recommend the delisting of company's shares from the Hyderabad Stock Exchange Limited (HSE) in accordance with the SEBI Regulations for delisting of Shares.

#### **DEPOSITS:**

Your Directors report that the company has not accepted any deposits from public during the year under report.

#### **AUDITORS:**

M/s. Brahmayya & Co., Chartered Accountants, Chennai, Statutory Auditors of the Company will retire at the conclusion of this Annual General Meeting and have not opted for reappointment due to administrative reasons. The Board of Directors propose for appointment of M/s. Balaji Viswanath & Co., Chartered Accountants, Hyderabad as the statutory auditors of the Company. They have informed that their appointment will be within the limits specified under Sec. 224(1B) of the Companies Act, 1956.

#### **INSURANCE:**

All the fixed assets and movable assets of the company are adequately insured.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

As per the provisions of the Section 217 (2AA) of the Companies Act, 1956, Directors State:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs for the Company at the end of the financial year and of the profit and Loss of the company for that period.
- iii. The Director have taken proper and sufficient care for the maintenance for adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the accounts on a going concern basis.

#### **PARTICULARS OF EMPLOYEES:**

The particulars of employees falling within the purview of the section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules, 1975 are nil.

#### **CONSERVATION OF ENERGY ETC..**

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

- A) Conservation of Energy - Not Applicable.  
 B) Technology Absorption - Not Applicable.  
 C) Foreign Exchange Earnings and Outgo -

	Year ended 31st March, 2004	Year ended 31st March, 2003
<b>Expenditure in Foreign Currency:</b>		
Traveling Expenses	Rs. Nil	Rs. 1,72,589
<b>CIF value of Imports:</b>		
Capital Goods and Software	Rs. Nil	Rs. 18,95,671
<b>Earnings in Foreign Currency:</b>		
Software Development Services	Rs. 2,23,50,515	Rs. 1,52,21,882

**CORPORATE GOVERNANCE:**

The report on the corporate governance is annexed which forms part of this report.

**PERSONNEL:**

The company has maintained cordial relations with the employees during the year under review. The company has been restructuring the human resources according to the business requirements of the company.

**ACKNOWLEDGEMENTS:**

Your directors take this opportunity to place on record their appreciation and gratitude for the cooperation, assistance, guidance and support extended by the Company's Bankers, Shareholders, customers and various Central and State Government Agencies and Local authorities. Your Directors also wish to place on record their sincere appreciation of unstinted support and co-operation extended by all the personnel at various levels of the organization.

**FOR AND ON BEHALF OF THE BOARD  
For COMP-U-LEARN TECH INDIA LIMITED**

**Sreenivasa Rao Donepudi**  
Director

**Srinivas Raju Saripalli**  
Director

**Place: Secunderabad**

**Date: 6th September 2004.**



## **REPORT ON CORPORATE GOVERNANCE**

### **INTRODUCTION**

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreement with the Stock Exchanges. The company has complied with the mandatory requirements of the Code.

#### **1) Company's Philosophy on the code of governance**

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's philosophy on corporate governance envisages the attainment of transparency, accountability and equity, in all its operations and in all its inter-actions with shareholders, employees, the government and lenders.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

#### **2) Board of Directors:**

The composition of the Board of Directors of the Company meets the stipulated requirements. The Board of Directors comprises a whole time director and Six Non-Executive Directors. The Board functions as a full Board or through Committees. The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board, while the committees oversee operational issues.

During the year ended 31st March 2004, Five Board Meetings were held on the following dates: (i) 30th June 2003, (ii) 30th July 2003, (iii) 31st October 2003, (iv) 16th December 2003, and (v) 30th January 2004.

The Composition of Directors and their attendances at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships is as follows:

Name of Director	Category of Directorship Attended	No. of Board meetings	Attendance at last AGM	No. of other director ships
Sri. Donepudi Sreenivasa Rao #	Managing Director	05	Yes	1
Sri. Srinivasa Chakravarti Yalamati @	Wholetime Director	05	Yes	—
Sri. Mukesh Kumar Agarwal*	Non Executive Director	Nil	No	1
Sri D.Ravi Varna*	Non Executive Director	Nil	No	1
Sri. Naga Bhushana Rao.V	Non Executive Independent Director	05	Yes	—
Sri. Srinivas Raju.Saripalli	-do-	05	No	—
Sri. R Duruvasan *	-do-	Nil	No	3

# Managing Director upto 31st December 2003

@ Wholetime Director upto 31st March 2004

\*Did not opt for reappointment

The Board of directors of the company has appointed Mr. Prasanna V as a director of the Company. Mr. Prasanna. V is a Master of Business Administration having 11 years experience in finance and accounts functions and he is presently heading the finance functions of the company. The Board of Directors accordingly propose for the appointment of Mr. Prasanna V as the executive director of the Company.

Mr. Mukesh Kumar Agarwal, Mr. D. Ravi Varma and Mr. R. Duruvasan retire at the ensuing annual general meeting, however they have not opted for reappointment. The company proposes that the said vacancies be not filled up.

#### COMMITTEES OF THE BOARD

##### 3) Audit Committee:

###### (a) Terms of reference:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible,
2. Review of Annual Financial Statements, internal control systems and internal audit functions,
3. To review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon,
4. To ensure that adequate mechanism for prevention & detection of frauds is in place,
5. Recommending the appointment of external auditors/internal auditors and fixation of their audit fee, and also approval for payment for any other services.

###### (b) Composition:

The Audit Committee of the Board comprises of 3 Non-Executive Directors. During the year, the committee held three meetings i.e., on (i) 30th June 2003 (ii) 31st October 2003 and (iii) 20th January 2004. The attendance of members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Shri. V. Naga Bhushana Rao	Chairman	3
Shri S. Srinivas Raju	Member	3
Shri R. Duruvasan	Member	-

Mr. Prasanna. V Head Finance (Presently Executive Director) is the convener to the committee.

##### 4. Remuneration Committee:

###### Terms of reference:

To review, assess and recommend the appointment of executive and non-executive directors from time to time, to review the remuneration package of the executive directors and recommend suitable revision to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act, 1956, to consider and recommend Employee Stock Option Schemes from time to time and to administer and superintend the same.