



Comp-U-Learn Tech India Ltd.

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8th

**ANNUAL REPORT
2004-05**

BOARD OF DIRECTORS

Mr. Sreenivasa Rao Donepudi
Mr. Srinivas Raju Saripalli
Mr. Prasanna. V

Director
Director
Executive Director

AUDITORS

M/s Balaji Viswanath & Co.
Chartered Accountants
8-3-966/13, Nagarjuna Nagar,
Srinagar Colony,
Hyderabad - 500 073.

BANKERS

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

REGISTRARS & SHARE TRANSFER AGENTS

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

Date, Time and Venue of AGM

30.09.2005, 10.00 AM-
at The Chip Hall, Cyber Towers,
Hi-Tec City, Madhapur,
Hyderabad- 500 033.
A.P.India

Book Closure

27.09.2005 to 30.09.2005
(Both days Inclusive)

REGISTERED OFFICE

172, Vasavi Nagar Colony,
Secunderabad - 500 015.A.P.
Ph No. 040-27746391
Fax No. 040-27746396

LISTED AT

THE STOCK EXCHANGE OF MUMBAI

NOTICE OF EIGHTH ANNUAL GENERAL MEETING

Notice is hereby given to all the members of the Company that the Eighth Annual General Meeting of the Company will be held on Friday the 30th September, 2005 at 10.00 a.m. at the Chip Hall, Cyber Towers, Hi-tec city, Madhapur, Hyderabad - 500 033 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Accounts consisting of Balance Sheet as at 31st March, 2005, Profit & Loss Account for the year ended 31st March, 2005 together with notes and schedules thereto and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Srinivas Raju Saripalli who retires by rotation opted for reappointment.
3. To appoint Auditors and to fix their remuneration. The retiring Auditors M/s. Balaji Viswanath & Co, Chartered Accountants, Hyderabad being eligible offers themselves for reappointment.

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

Place: Secunderabad

Date: 5th September 2005

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 2005 to 30th September 2005 (both days inclusive) in terms of the provisions of section 154 of the Companies Act, 1956.
- III. 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, Raj Bhavan, Hyderabad- 500 082 .Ph: 040- 23374967,Fax: 040- 23370295.

DIRECTORS' REPORT

To
The Members

Your Directors present their Eighth Annual Report together with the Audited Accounts for the period ended 31st March 2005.

FINANCIAL RESULTS:

The Financial results for the period ended 31st March 2005 are summarized below:

	2004-2005	2003-2004
	(Rs. In lakhs)	
Gross Income from Operations	28.45	240.24
Gross Profit/Loss before Depreciation	(91.76)	(55.01)
Less: Finance Charges	—	4.57
Depreciation	32.36	54.51
Profit/(Loss)	(133.26)	(114.09)
Provision for Tax	—	—
Profit/Loss after Tax	(133.26)	(114.09)
Balance Transferred to Balance sheet	(970.16)	(836.89)

PERFORMANCE:

The year under review has been continued to be difficult, as expected contracts have not materialized, there fore the business of the company was significantly effected during the year. In view of the non-materialization of the expected contracts, the management is cautiously optimistic about the performance for the current financial year

DEPOSITS:

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

AUDITORS:

M/s. Balaji Viswanath & Co., Chartered Accountants, Hyderabad, Statutory Auditors of the Company will retire at the conclusion of this Annual General Meeting. However, being eligible they offer themselves for reappointment and confirmed that their reappointment 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	Rs.23.01 lakhs and Outgo is Nil

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

Prasanna. V
Executive Director

Place: Secunderabad
Date: 5th September 2005.

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 Executive director and two 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 2005, Five Board Meetings were held on the following dates: (i) 30th April 2004, (ii) 30th July 2004, (iii) 6th September 2004, (iv) 29th October 2004, and (v) 31st January 2005.

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 Held	No. of Board meetings Attendance	Attendance at last AGM	No. of other director ships/ Committees
Sri. Donepudi Sreenivasa Rao	Non Executive Director	04	Yes	1
Sri. Srinivasa Chakravarti Yalamati @	Wholetime Director	04	Yes	—
Sri. Naga Bhushana Rao.V#	Non Executive Independent Director	04	Yes	—
Sri. Srinivas Raju Saripalli	-do-	05	No	—
Sri Prasanna. V	Executive Director	03	Yes	3

@ Resigned during the year 2004 -2005

Resigned during the year 2004-2005

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 the following persons. During the year, the committee held three meetings i.e., on (i) 6th September 2004 (ii) 29th October 2004 and (iii) 31st January 2005. 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	2
Shri S. Srinivas Raju	Member	3
Shri V. Prasanna	Member	Nil

Mr. S. Srinivas Raju 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.

Composition:

The Committee comprises of the following persons. Sri. V. Naga Bhushana Rao has been appointed Chairman of the Committee. This Committee met once during the year on 30th April 2004.

Name of the Member	Status	No. of Meetings attended
Shri. V. Naga Bhushana Rao	Chairman	1
Shri. S. Srinivas Raju	Member	1
Shri V. Prasanna	Member	-

Consequent to the resignation of Mr. R Duruvasan & Mr. V. Naga Bhushana Rao, the committee has been reconstituted by appointment of Mr. D.Sreenivasa Rao & Mr. V.Prasanna to the above committee.

(c) **Remuneration Policy:**

Remuneration of employees largely consists of the base remuneration, perquisites and performance Incentives. The Remuneration policy of the company for managerial personnel is primarily based on

- Performance of the company, its divisions
- Track record, potential and performance of individual managers and responsibilities Handled by them.
- External competitive environment and general trends in the industry.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

Details of remuneration for the year 2004-2005

i. **Executive Director :** Rs. In Lakhs

	Salary	Commission	Perquisites	Total
Prasanna. V Executive Director	1,80,000	- NIL -	-NIL-	1,80,000

ii. **Non Executive Directors:**

No remuneration was paid to non-executive directors during the period under review.

5. **Investor Grievance Committee:**

An investor Grievance Committee has been constituted for redressal of Investor complaints/grievances. The Committees primary responsibility is to implement a smooth share transfer process, minimize shareholder/investor grievances and to strengthen investor relations. The Committee's other responsibilities include grievances related to dematerialization of shares, replacement of lost/stolen/mutilated share certificates. The Share Transfer Committee also functions as investor grievance committee.

The committee met periodically and the 16 letters/complaints received from the shareholders were replied/resolved to the satisfaction of the shareholders. As on date, No requests involving transfer of shares were pending to be processed. Mr. Prasanna. V Executive Director is the convener to the committee.

6. Share Transfer Committee:

The Company has a committee of directors to consider requests for transfer/transmission of shares. The committee meets regularly in every month to consider the share transfers. The committee consists of three directors viz., Mr. Sreenivasa Rao D, Mr. Prasanna V and Mr. Srinivas Raju Saripalli are the members of the Share Transfer Committee. The requests for transfer of shares are considered on the basis of the Memorandum of Transfers prepared by the Registrars and Transfer Agents of the Company. The Company has not faced any litigation in respect of transfer/transmission of shares.

The company has a share transfer committee, which looks into the matters relating to transfers/ transmissions, issue of duplicate certificates etc. During the financial year 2004-2005, the committee met seven times and approved share transfers/ transmissions. The duly transferred/transmitted share certificates both physical and electronic were sent to the shareholders within a period of 30 days.

7. Details of General Body Meetings held:

The location and time of the last three Annual General Meetings were held as under:

Financial. Year	Date	Time	Location
2003-2004	30.09.2004	10.30 AM	Chip Hall, Cyber Towers, Hi-tec City, Madapur, Hyderabad
2002-2003	30.09.2003	10.00 AM	Chip Hall, Cyber Towers, Hi-tec City, Madapur, Hyderabad
2001-2002	30.09.2002	10.00 AM	Chip Hall, Cyber Towers, Hi-tec City, Madapur, Hyderabad

During the year ended 31st March 2005. No Special resolutions were passed by the shareholders through postal ballot.

8. Disclosures :

- There were no new materially significant related party transactions i.e. Transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- There were no instances of non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets since listing of the shares i.e., 13.09.2000.

9. Means of Communication:

- Quarterly provisional results are published in prominent daily newspapers viz, Business Standard/ Financial Express & Andhra Bhooni/Andhra Jyothi.
- Management's Discussions and Analysis forms part of the annual report.

10. General Shareholders Information:

- Date of Incorporation : 22nd April 1997
- Registered Office : # 172, Vasavi Nagar Colony, Secunderabad. 500 015 A .P, INDIA.
- Date and time of the 8th AGM : Friday the 30th September 2005 at 10.00 a.m.
- Venue of the 8th Annual General Meeting : The Chip Hall, Cyber towers, Hi-tec city, Madhapur, Hyderabad 500033.
- Financial Calendar : 1st April 2004 to 31st March 2005.

Adoption of Quarterly results for the
(Tentative and subject to change)

Financial reporting for the first quarter ending 30th June 05: Between 15th and 30th of July 2005.

Financial reporting for the second quarter ending 30th Sep 05: Between 15th and 30th of Oct 2005.

Financial reporting for the third quarter ending 31st Dec 05: Between 15th and 30th of Jan 2006.

Financial reporting for the fourth quarter ending 31st Mar 06 : Between 15th and 30th of Apr 2006.

- Date of Book Closure : 27.09.2005 - 30.09.2005 (both days inclusive)
- Dividend payment date : Not Applicable
- Listing of Equity Shares on Stock Exchange at:
The Stock Exchange, Mumbai, 1st Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort, Mumbai- 400 001.

(Stock Code: Physical Mode: 32363

Dematerialized Mode: 532363)