



Comp-U-Learn Tech India Ltd.

Report  junction.com

9th
ANNUAL REPORT
2005-06

Comp-U-Learn Tech India Ltd.**BOARD OF DIRECTORS**

Mr. Sreenivasa Rao Donepudi
 Mr. Srinivas Raju Saripalli
 Mr. Prasanna Vinnakota
 Mr. Kiran Kanth Yadla
 Mr. Subba Rao Venkata Dhulipalla

Director
 Director
 Executive Director
 Director
 Director

AUDITORS

M/s Balaji Viswanath & Co.
 Chartered Accountants
 202, Krishnaveni Arcade,
 Bhagyanagar Colony,
 Kukatpally, Hyderabad- 500 072
 Ph : 040 - 23161679

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

29.09.2006, 10.30 AM
 at The Chip Hall, Cyber Towers,
 Hi-Tec City, Madhapur,
 Hyderabad- 500 033.

Book Closure

26.09.2006 to 29.09.2006
 (Both days inclusive)

REGISTERED OFFICE

172, Vasavi Nagar Colony,
 Secunderabad - 500 015.A.P.

LISTED AT

THE STOCK EXCHANGE OF MUMBAI

Comp-U-Learn Tech India Ltd.

NOTICE OF NINTH ANNUAL GENERAL MEETING

Notice is hereby given to all the members of the Company that the Ninth Annual General Meeting of the Company will be held on Friday the 29th September, 2006 at 10.30 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, 2006, Profit & Loss Account for the year ended 31st March, 2006 together with notes and schedules thereto and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vinnakota Prasanna 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.

SPECIAL BUSINESS :**4. Appointment of Mr. Yadla Kiran Kath as Director**

To consider and if thought fit to pass the following, with or without modifications as an Ordinary Resolution.

"RESOLVED THAT Mr. Yadla Kiran Kanth who was appointed as an additional director of the company on 28th October, 2005 u/s.260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing u/s. 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of director be and is hereby appointed as a director of the Company liable to retire by rotation."

5. Appointment of Mr. Dhulipalla Venkata Subba Rao as Director

To consider and if thought fit to pass the following, with or without modifications as an Ordinary Resolution.

"RESOLVED THAT Mr. Dhulipalla Venkata Subba Rao who was appointed as an additional director of the company on 28th October, 2005 u/s.260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing u/s. 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of director be and is hereby appointed as a director of the Company liable to retire by rotation."

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

Place: Secunderabad

Date: 1st September 2006

Prasanna V
Executive Director

NOTES:

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.

The Register of members and the Share Transfer Register will remain closed from 26th September 2006 to 29th September 2006 (both days inclusive) in terms of the provisions of section 154 of the Companies Act, 1956.

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 Road, Hyderabad- 500 082 .Ph: 040- 23374967,Fax: 040- 23370295.

Explanatory Statement

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

Item No. 4 and 5 : Appointment of Additional Directors.

Presently our Board comprises only 3 directors but as per Corporate Governance requirement it is compulsory to induct 2 more independent directors into our Board.

The Board inducted the following Engineering Professional and Pharmacy graduate, subject to your approval, into the Board. viz., Mr. Yadla Kiran Kanth on 28th October 2005 and Dhulipalla Venkata Subba Rao on 28th October 2005.

- a) Mr. Yadla Kiran Kanth holds an engineering degree from reputed University and has vast experience in Marketing and HR.
- b) Mr. Dhulipalla Venkata Subba Rao a pharmacy Graduate with 15 years of experience in Ceramics industry.

Comp-U-Learn Tech India Ltd.

DIRECTORS' REPORT

To

The Members

Your Directors present their Ninth Annual Report together with the Audited Accounts for the period ended 31st March 2006.

FINANCIAL RESULTS:

The Financial results for the period ended 31st March 2006 are summarized below:

(Rs. In lakhs)

	2005-2006	2004-2005
Gross Income from Operations	35.46	28.45
Gross Profit/Loss before Depreciation	7.29	(91.76)
Less: Finance Charges	-	-
Depreciation	6.39	32.36
Profit/(Loss)	0.90	(133.26)
Provision for Tax	-	-
Profit/Loss after Tax	0.90	(133.26)
Balance Transferred to Balance sheet	969.26	(970.16)

PERFORMANCE:

During the year 2005-06, your company could earn Rs. 0.90 lakhs as the year under review has been continued to be difficult, as expected contracts have not materialized. The management is making every effort to materialize the contracts and optimistic about the performance for the current 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:

In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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.

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.

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.

Conservation of Energy	- Not Applicable.
Technology Absorption	- Not Applicable.
Foreign Exchange Earnings	- Rs.34.27 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 Prasanna. V
Director Executive Director

Place: Secunderabad

Date: 1st September 2006.

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 and two Independent 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 2006, Five Board Meetings were held on the following dates: (i) 29th April 2005, (ii) 30th July 2005, (iii) 5th September 2005, (iv) 28th October 2005, and (v) 31st January 2006.

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
Shri. D. Sreenivasa Rao	Non Executive Director	05	Yes	1
Shri. S. Srinivas Raju	-do-	05	No	-
Shri V. Prasanna	Executive Director	05	Yes	3
Shri. Y. Kiran Kanth	Independent Director	01	No	-
Shri. D.V.Subba Rao	-do-	01	No	-

COMMITTEES OF THE BOARD

3) **Audit Committee:**

Terms of reference:

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, Review of Annual Financial Statements, internal control systems and internal audit functions, To review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon, To ensure that adequate mechanism for prevention & detection of frauds is in place, Recommending the appointment of external auditors/internal auditors and fixation of their audit fee, and also approval for payment for any other services.

Composition:

The Audit Committee of the Board comprises of two Non-Executive Directors and two Independent Directors. During the year, the committee held three meetings i.e., on (i) 6th September 2005 (ii) 29th October 2005 and (iii) 31st January 2006. The attendance of members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Shri. D. Sreenivasa Rao	Chairman	3
Shri S. Srinivas Raju	Member	3
Shri Y. Kiran Kanth	Member	2
Shri D.V. Subba Rao	Member	2

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, non-executive and independent 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 two non-executive directors and two Independent Directors.

Name of the Member	Status	No. of Meetings attended
Shri D.Sreenivasa Rao	Chairman	1
Shri. S. Srinivas Raju	Member	1
Shri. Y. Kiran Kanth	Member	1
Shri. D.V. Subba Rao	Member	1

(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 2005-2006

i. Executive Director:

	Salary	Commission	Perquisites	Rs. In Lakhs
Shri Vinnakota Prasanna Executive Director	2, 17,500	- NIL -	-NIL-	2, 17,500

ii. Non Executive Directors:

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

5. Management Discussion and Analysis Report:**Business Analysis:**

The year under review has been continued to be difficult, as expected contracts have not materialized. The business of the company was significantly affected during the year.

Internal Control systems and their adequacy:

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. Human Resources:

Human resources represent the collective expertise, innovation, entrepreneurship and managerial skills in the employees. Your company has human resources commensurate with its business size.

Out Look:

In view of the non-materialization of the expected contracts, management is cautiously optimistic about the performance for the current financial year.

6. Investor Grievance Committee:

An Investor Grievance Committee has been constituted for redressal of investor complaints/grievances. The Committee's 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.

Comp-U-Learn Tech India Ltd.

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. Vinnakota Prasanna Executive Director is the convener to the committee.

7. Share Transfer Committee:

The Company has a committee of directors to consider requests for transfer/transmission of shares. The committee consists of five directors. 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 2005-2006, 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.

8. 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
2004-2005	30.09.2005	10.00 A.M	Chip Hall, Cyber Towers, Hi-tec City, Madapur, Hyderabad
2003-2004	30.09.2004	10.00 AM	Chip Hall, Cyber Towers, Hi-tec City, Madapur, Hyderabad
2002-2003	30.09.2003	10.30 AM	Chip Hall, Cyber Towers, Hi-tec City, Madapur, Hyderabad

During the year ended 31st March 2006, no Special resolutions were passed by the shareholders through postal ballot.

9. 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.

10. Means of Communication:

Quarterly provisional results are published in prominent daily newspapers viz, Business Standard/ Financial Express & Andhra Bhoomi/Andhra Jyothi.

Management's Discussions and Analysis forms part of the annual report.

11. 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 9th AGM, : Friday the 29th September 2006 at 10.30 a.m.
- Venue of the 9th Annual General Meeting : The Chip Hall, Cyber towers, Hi-tec city, Madhapur, Hyderabad 500033.
- Financial Calendar : 1st April 2005 to 31st March 2006.
- Adoption of Quarterly results for the (Tentative and subject to change)
- Financial reporting for the first quarter ending 30th June 06: Between 15th and 30th of July 2006.
- Financial reporting for the second quarter ending 30th Sep 06: Between 15th and 30th of Oct 2006.
- Financial reporting for the third quarter ending 31st Dec 06: Between 15th and 30th of Jan 2007.
- Financial reporting for the fourth quarter ending 31st Mar 07: Between 15th and 30th of Apr 2007.

Date of Book Closure : 26.09.2006 - 29.09.2006 (both days inclusive)

Dividend payment date : Not Applicable

Listing of Equity Shares on Stock Exchanges at:

- (i) 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)

- (ii) The delisting of shares in HSE is under process.

- iii) The company ISIN Number: INE394B01017

The company confirms that it has paid annual listing fees due to the Mumbai stock exchanges for the year 2006-2007.

Stock Market Price data for the year 2005-2006:

Month	BSE		HSE	
	High	Low	High	Low
April, 2005	3.90	2.52	—	—
May, 2005	4.31	2.50	—	—
June, 2005	7.85	3.07	—	—
July, 2005	7.80	3.95	—	—
August, 2005	6.90	4.10	—	—
September, 2005	7.00	3.80	—	—
October, 2005	3.67	2.83	—	—
November, 2005	3.14	2.67	—	—
December, 2005	3.52	3.00	—	—
January, 2006	3.87	2.89	—	—
February, 2006	3.50	3.30	—	—
March, 2006	3.33	2.73	—	—

— There was no trading at HSE.

- j) Registrar and Share Transfer Agent: The address of the registrar and share transfer agent is as given below:

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

The R&ST agents acknowledges and executes transfers of securities arranges for issue of dividend warrants.
The R & ST agent also accepts deals and resolves complaints of shareholders.