CTIL LIMITED

Setting Standards in Technology

(Formerly Comp-U-Learn Tech India Ltd.)

e-Learning • e-governance • Software • BPO • Media • Infrastructure

15TH
ANNUAL REPORT
2011-12

CONTENTS

COMPANY ON GROWTH TRACK:

YEAR UNDER REVIEW:

Growth at a Glance:

Rs. In Lakhs

PARTICULARS	CONSOLIDATED		
	FY 2012	FY 2011	GROWTH IN %
A. Financial Performance			
i. Income	8639.45	7909.12	9.23
ii. Operating Profit (PBDITA)	2148.86	1633.55	31.55
iii. PAT	996.65	775.44	28.53
iv. Return on Capital in %	44.52	40.48	9.98
B. Financial Position:			
v. Fixed Assets (Gross Block)	323.02	353.92	
vi. Net Current Assets	6081.47	5116.31	18.86
vii. Share Capital	2238.55	1915.50	16.86
viii. Reserves & Surplus	2831.95	1258.76	125
ix. Secured Loans	1306.05	897.01	45.60
x. Miscellaneous Expenditure-R & D	942.69	674.92	39.67
x. Networth	4127.81	2499.33	65.15

BOARD OF DIRECTORS

Mr. P V V Satyanarayana	-	Chairman
Mr. K. Ramesh	-	Executive Director
Mr. P Obul Reddy	-	Executive Director
Mr. Manish Bansal	-	Executive Director
Mr. P Jagadeesh Babu	-	Director
Mr. P Guru Krishna	-	Director
Mr. Gottipati S S Prasad	-	Director
Mr. V Suresh Babu	-	Director
Mr. Raj Kosaraju	-	Director

AUDITORS:

M/s Balaji Vishwanath & Co
Chartered Accountants
1st Floor, Rahul Residency
Skanda Enclave, Eswar Villa's Road,
Nijampet, Hyderabad – 500 090
Ph. No: 040-23161679

BANKERS:

UCO BANK
62, M.G. Road, Secunderabad 500 003

AXIS BANK
Srinagar Colony Branch, Hyderabad 500 004

HDFC BANK
Banjara Hills Branch, Hyderabad 500 34

STANDARD CHARTERED BANK
SD Road Branch, Secunderabad

REGISTRAR AND SHARE TRANFER AGENTS:
M/s Big Share Services Private Limited
G-10, Left Wing, Amrutha Ville
Opp: Yashodha Hospital
Somajiguda, Raj Bhavan Road
Hyderabad – 500 082
Ph No: 040-23374967
Fax No: 040-23370295

REGISTERED OFFICE:
4th Floor, My Home Tycoon
Life Style Building, Greenlands
Begumpet, Hyderabad – 500 016

Date, time and Venue of the
15th Annual General Meeting
Saturday, the 29th September, 2012
at 9.00 A.M.
Vasavi Club ,Kharitabad
HYDERABAD – 500 016

BOOK CLOSURE:
26.09.2012 TO 29.09.2012
(BOTH DAYS INCLUSIVE)

LISTED AT:
THE BOMBAY STOCK EXCHANE LIMITED

NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

Notice is hereby given to all the members of the Company that the Fifteenth Annual General Meeting of the Company will be held on Saturday, the 29th September, 2012 at 9.00 A.M. at Vasavi club, Khairtabad, Hyderabad – 500 016.

ORDINARY BUSINESS:

01. To receive, consider and adopt the Annual Accounts consisting of Balance Sheet and Profit and Loss Account as on 31st March 2012, together with the notes and schedules thereto and the reports of Directors and Auditors thereon.

02. To appoint a Director in place of Mr. PVV Satyanarayana who retires by rotation and being eligible, offers himself for reappointment.

03. To appoint a director in place of Mr. P. Gurukrishna who retires by rotation and being eligible offers himself for reappointment.

04. To appoint a director in place of Mr. Raj Kosaraju who retires by rotation and being eligible offers himself for reappointment.

05. To appoint Auditors and to fix their remuneration. The retiring auditors M/s Balaji Viswanath & Co,. Chartered Accountants, Hyderabad being eligible offer themselves for re appointment.

For CTIL LIMITED
(Formerly Known as
Comp-u-learn Tech India Limited)
SD/-
PVV Satyanarayana
Chairman

Date: 03.09.2012
Place: Hyderabad

DIRECTOR'S REPORT

To

The Members

You Directors present their Fifteenth Annual Report together with the Audited Accounts for the period ended 31st March, 2012

FINANCIAL RESULTS:

The Financial Results for the period ended 31st March, 2012 are summarized below:

(Rs.in Lakhs)

Particulars	Consolidated for 2011-12	Standalone for 2011-12	Consolidated for 2010-11	Standalone for 2010-11
Income from Operations	8639.45	1550.97	7909.12	2375.09
Expenditure	6492.60	1342.85	6275.58	2157.96
Operating Profit (PBDIT)	2146.85	208.12	1633.54	217.13
Interest	213.60	133.80	128.09	61.89
Depreciation	61.10	34.02	83.38	55.80
Profit before Tax	1872.15	40.30	1422.07	99.44
Provision for Income Tax	25.97	7.47	10.43	6.53
Deferred Tax	-8.29	-5.86	- 6.65	-5.46
Profit / Loss after Tax but before extraordinary items	1854.47	38.68	1418.30	98.37
Extraordinary items – Minority Interest	857.81		642.86	
Net Profit carried to Balance Sheet	996.65	38.68	775.44	98.37

CONSOLIDATED PERFORMANCE:

Your Directors are pleased to present the financial results of the company for the year under review. Your Company has posted a turnover of Rs. 8639.45 lakhs. and net Profit of Rs. 996.65 lakhs. In view of the increased needs of working capital consequent to expansion activities planned by the company, your Directors are of the view that Profits should be ploughed back into the system so as to attain the desired growth levels.

STANDALONE PERFORMANCE:
Your Directors are pleased to inform you that the revenues of the company stood at Rs. 1550.97 lakhs and net Profit Rs. 38.68 lakhs as against revenues of Rs. 2375.09 Lakhs, net Profit of Rs. 98.37 lakhs for the previous year.

RESEARCH AND DVELOPMENT:
Your Directors are happy to note that during the year the company has spent sizable amount towards R & D in e-learning space. The Company continues to invest in innovating and developing state of the art technologies that are core to providing key solutions in different industry verticals of interest. This includes critical investments in:

- Comprehensive e-learning solution
- Improving assets in the e-Governance
- Technology & Solutions for Shipping & Ports
- Insurance Technology & solutions

A big thrust was made last year in the aforesaid areas in R&D. In the space of e-learning, big strides have been made to not only have a two way video interactivity, but also chat both in 'open' as well as 'private' environments. This is coupled with a robust e-learning support system having full fledged e-content upload, on line testing, online submission of assignment and their valuation, attendance tracking etc.

Carve out product offerings from our portfolio of projects and long running product-line programs – this included Integrated Treasury Management, PACE G2C framework and upcoming paperless office for e-Governance Projects.

CTIL LTD rebranded and productized its G2C service delivery framework adapted from first large scale e-Governance project in India in the form of PACE – was instrumental in winning and delivering G2C services in a large government portal.

We hope that this R & D initiative will yield good results and boost up our revenues in the coming years.

DEPOSITS:
The Company has not accepted any deposits from the public during the year under review.

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 section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT:
The Auditors comments on the company's accounts for the year ended 31st March, 2012 are self explanatory in nature and do not require any explanation as per the provision of section 217 (3) of the Companies Act. 1956.

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

CHANGES IN THE SHARE CAPITAL)
The Company has got only one class of shares i.e. equity shares. The Authorised Share Capital of the Company presently stands at Rs.50.00 Crores. Paid-up share of the company stands at Rs. 223855540. During the year 3230554 shares of Rs. 10 each were issued at a premium of Rs. 17 to selected persons

other than promoters upon conversion of equity share warrants. The company has forfeited application money on 669446 Warrants due to non- payment of allotment money.

DIRECTORS

Mr. PVV Satyanarayana, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. P. Gurukrishna, Director retires by rotation at the ensuing Annual General Meeting and has offered himself for reappointment.

Mr. Raj Kosaraju, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217 (2AA) of the companies Act,. 1956, it is hereby confirmed:

(a) that in preparation of annual accounts for the year ended 31^{st} March, 2012, the applicable accounting standards have been followed and that no material departures have been made from the same.

(b) that 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 a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended on that day.

(c) that the Directors have taken proper and sufficient care 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) that the Directors have prepared the annual accounts for the year 31^{st} March, 2012 on a going concern basis:

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975, the particulars of Employees of the Company are – NIL.

CONSERVATION OF ENERGY ETC, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGHN EXCHANGE EARNINGS & OUTGO.

Information required under section 217 (1)(e) of the companies Act 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 are provided herein below:

Conservation of Energy:

The operations of our Company are not energy-intensive. However to ensure reduction in consumption of energy, we are constantly evaluating new technologies, mechanism, investments to make infrastructure more energy efficient.

Some of the energy conversation initiatives.

a. Walls and Roofs are properly insulated.
b. Turning off all lights in all the work places when not in use.
c. Turning off the Air Conditioners during non peak hours and holidays.
d. Effective management of ventilation to ensure good air quality.
e. Installation of energy efficient lighting.
f. Using energy efficient computers and equipment,.

A. Technology Absorption – The Company has constantly upgraded its technology to the latest in the Global Market, for both its training centers and software development.

B. Research and Development : Your Company is constantly working to build a state of Art Research and Development Centre to enhance the quality of its products.

C. Benefits derived from such Research and Development: As the customer uses the end product, the benefit from the customer satisfaction will be ultimately passed on to the company in terms of increase in sales

D. Foreign Exchange earnings and outgo

(Rs. in Lakhs)

	2011-12	2010-11
Foreign Exchange Earnings	1534.82	1955.81
Foreign Exchange Outgo	5.89	49.46

SUBSIADIARY COMPANIES:

Company has got the following companies as subsidiaries:

1. **Spry Resources India Pvt Ltd**
2. **ACE BPO Services Pvt Ltd**
3. **CTIL Infrastructure Pvt Ltd**
4. **CTIL Media Pvt Ltd**
5. **CTIL Hong Kong Ltd**
6. **Compulearn Middle East FZC**
7. **ASTUS Technologies INC, USA**

As required under section 212 of the Companies Act, 1956 financial statements of subsidiary companies mentioned at 1 to 7 above are enclosed with this Annual Report along with Directors report and Auditor's Report on these financial statements.

CONSOLIDATION OF FINANCIAL STATEMENTS:

The Consolidated Financial Statements, as prescribed by Accounting Standards 21 read with 23 issued by the Institute of Chartered Accountants of India, are Annexed to this Annual Report.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis for the year under review as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange is presented as a separate Section forming part of this report.

PERSONNEL:

Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation for the efforts, dedication and active participation of employees in various initiatives during the year under review:

ACKNOWLEDGEMENTS:

We express our Heart felt gratitude and thanks to our Company's Bankers, Shareholders, customers and various Central and State Government Agencies and Local authorities for their continued support during the year. We also wish to place on record our sincere appreciation of unstinted support and co-operation extended by all the personnel at various levels of the Organization. Our growth was made possible by their hard work, solidarity, co-operation and support all along so far and we look forward for the same in the years to come and we wish to maintain whole heartedly continuing relationship with all the above.

Place: Hyderabad
Date : 03.09.2012

For and on behalf of the Board of Directors of CTIL LIMITED
(formerly known as COMP-U-LEARN TECH INDIA LTD)

Sd/-	Sd/-
P.V.V. Satyanarayana	K. Ramesh
Chairman	Executive Director