



Setting Standards in Technology
(Formerly Comp-U-Learn Tech India Ltd.)

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

16TH
ANNUAL REPORT
2012-13

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COMPANY ON GROWTH TRACK:

YEAR UNDER REVIEW:

Growth at a Glance:

PARTICULARS	Rs. In Lakhs	
	FY 2013	FY 2012
A. Financial Performance		
i. Income	3226.30	8639.45
ii. Operating Profit (PBDITA)	520.58	2148.86
iii. PAT	281.57	996.65
iv. Return on Capital in %	10.74	44.52
B. Financial Position:		
v. Fixed Assets (Gross Block)	269.01	323.02
vi. Net Current Assets	3835.90	6081.47
vii. Share Capital	2621.55	2238.55
viii. Reserves & Surplus	1626.70	2831.95
ix. Secured Loans	1343.86	1306.05
x. Miscellaneous Expenditure-R & D	834.76	942.69
x. Networth	4248.26	4127.81

BOARD OF DIRECTORS

01.Mr. P V V Satyanarayana	-	Chairman
02.Mr. P Jagadeesh Babu	-	Director
03.Mr. K. Ramesh	-	Executive Director
04.Mr. P Obul Reddy	-	Executive Director
05.Mr. P Guru Krishna	-	Director
06.Mr. Raj Nagesh Kosaraju	-	Director
07.Mr. V Suresh Babu	-	Director
08.M. Balarama Krishnaiah	-	Additional Director
09.Mr. K Bhavani Prasad	-	Additional Director
10.Mr. G. Madhava Rao	-	Additional 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 TRANSFER AGENTS:

M/s. Big Share Services Pvt Ltd.
3rd Floor, Amrutha Ville, Opp: Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad – 500 082
Phone.No: 040 – 23374967,
Fax No: 040 – 23370295.

REGISTERED OFFICE:

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

LISTED AT:

THE BOMBAY STOCK EXCHANGE LIMITED

Date, time and Venue of the
16th Annual General Meeting
Monday, the 30th September, 2013,
at 9.00 A.M.

Vasavi Club ,Kharitabad
HYDERABAD – 500 016

BOOK CLOSURE:
27.09.2013 TO 30.09.2013
(BOTH DAYS INCLUSIVE)

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Members of the Company that the Sixteenth Annual General Meeting of the Company will be held on Monday, the 30th September, 2013 at 9.00 A.M. at Vasavi club, Khairatabad, 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 2013, together with the notes and schedules thereto and the reports of the Directors and Auditors thereon.
02. To appoint a Director in place of Mr. V.Suresh Babu who retires by rotation and who did not offer himself for re-appointment.
03. To appoint a Director in place of Mr. P.Jagadish Babu who retires by rotation and who did not offer himself for re-appointment.
04. To appoint a Director in place of Mr. P.Obul Reddy who retires by rotation and being eligible, offers himself for re-appointment.
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 appointment.

SPECIAL BUSINESS:

06. To consider and, if thought fit, to pass with or without modification(s) ,the following Resolution as an Ordinary Resolution.
“RESOLVED that Mr. M. Balarama Krishnaiah, who was inducted w.e.f 15.10.2012 as an Additional Director of the company and who holds office up to date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose office shall be liable to determination through retirement by rotation.
07. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.
“RESOLVED that Mr. M. K. Bhavani Prasad, who was inducted w.e.f 15.07.2013 as an Additional Director of the company and who holds office up to date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose office shall be liable to determination through retirement by rotation.
08. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.
“RESOLVED that Mr. G. Madhava Rao, who was inducted w.e.f 14.08.2013 as an Additional Director of the company and who holds office up to date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose office shall be liable to determination through retirement by rotation.

BY ORDER OF THE BOARD /-

For CTIL LIMITED

(formerly known as COMP-U-LEARN TECH INDIA LTD)

Sd/-

Place: Hyderabad

Date: 04.09.2013

P.V.V.Satyanarayana

Chairman

NOTES:

1. 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.
2. The Register of Members and the Share Transfer Register of the company will remain closed from 27.09.2013 to 30.09.2013 (both the days inclusive) in terms of the provisions of Sec 154 of the Companies Act, 1956.
3. Members are requested to intimate promptly any change in their address to the Share Transfer Agent, Big Share Services Pvt Ltd. 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500 082 Phone.No: 040 – 23374967, Fax No: 040 – 23370295.
4. Explanatory Statement for the Special Business as required under Section 173(2) of the Companies Act, 1956, is annexed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS:

ITEM NO. 6

The Board of Directors inducted Mr. M. Balarama krishnaiah, w.e.f.15.10.2012, as Additional Director in accordance with the provisions of Sec 260 of the Companies Act 1956 and Article 27 of the Articles of Association of the Company. Accordingly he will hold the office until this AGM. Sri. M. Balarama Krishnaiah, aged at 63 years, is a qualified Chartered Accountant having good financial and Industrial experience. In order to utilize his services to the company, the Board of Directors recommends consideration and approval of the proposed Resolution.

Except Mr. M. Balarama Krishnaiah, who is deemed to be interested to the extent of his proposed appointment, no other Director of the company is interested in this Resolution.

ITEM NO. 7

The Board of Directors inducted Mr. K. Bhavani Prasad, w.e.f. 15/07/2013, as Additional Director in accordance with the provisions of Sec 260 of the Companies Act 1956 and Article 27 of the Articles of Association of the Company. Accordingly he will hold the office until this AGM.

Sri. K. Bhavani Prasad, aged at 50 years, has good Business and Industrial experience. As his services will be useful to the company the Board of Directors recommends consideration and approval of the proposed Resolution.

Except Mr. K. Bhavani Prasad, who is deemed to be interested to the extent of his proposed appointment, no other Director of the company is interested in this Resolution.

ITEM NO. 8

The Board of Directors inducted Mr. G. Madhava Rao, w.e.f.14.08.2013, as Additional Director in accordance with the provisions of Sec 260 of the Companies Act 1956 and Article 27 of the Articles of Association of the Company. Accordingly he will hold the office upto the date of this AGM.

Sri. G. Madhava Rao, aged about 50 years and has rich business and industrial experience. With a view to utilize his services, the Board of Directors recommends consideration and approval of the proposed Resolution.

Except Mr. G. Madhava Rao, who is deemed to be interested to the extent of his proposed appointment, no other Director of the company is interested in this Resolution.

BY ORDER OF THE BOARD -/

For CTIL LIMITED

(formerly known as COMP-U-LEARN TECH INDIA LTD)

Sd/-

Place: Hyderabad

P.V.V.Satyanarayana

Date: 04.09.2013

Chairman

DIRECTOR'S REPORT

To

The Members

You Directors present their Sixteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2013

FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2013 are summarized below:

(Rs.in Lakhs)

Particulars	Consolidated for 2012-13	Standalone for 2012-13	Consolidated for 2011-12	Standalone for 2011-12
Income from Operations	3226.30	1404.41	8639.45	1550.97
Expenditure	2705.72	1271.89	6492.60	1342.85
Operating Profit (PBDIT)	520.58	132.51	2146.85	208.12
Interest	144.88	105.64	213.60	133.80
Depreciation	49.33	21.15	61.10	34.02
Profit before Tax	326.36	5.72	1872.15	40.30
Provision for Income Tax	52.44	1.09	25.97	7.47
Deferred Tax	-7.65	-4.45	-8.29	-5.86
Profit / Loss after Tax but before extraordinary items	281.57	9.08	1854.47	38.68
Extraordinary items – Minority Interest	1.23	—	857.81	—
Net Profit carried to Balance Sheet	280.34	9.08	996.65	38.68

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. 3226.30 lakhs. and net Profit of Rs. 280.34 lakhs. Performance of the company was partially affected by frequent power failures and disturbances on account of agitations / bandhs in Hyderabad. In spite of adverse conditions like bandhs and agitations, your company was able to maintain profitability during the year. 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 and achieve its objectives set before the management.

STANDALONE PERFORMANCE:

Your Directors are pleased to inform you that the revenues of the company stood at Rs. 1404.41 lakhs and net Profit Rs.9.08 lakhs as against revenues of Rs. 1550.97 Lakhs, net Profit of Rs. 38.68 lakhs for the previous year.

CHANGE IN THE NAME OF THE COMPANY: Pursuant to the Special Resolution passed by the Members and approval accorded by the Central Government, name of the company was changed from “COMP-U-LEARN TECH INDIA LIMITED” TO “CTIL LIMITED” with effect from 29.08.2012.

RESEARCH AND DEVELOPMENT:

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

A big thrust was made in the past two years 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 re-branded 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 through 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 under 58A of the Companies Act, 1956, during the year.

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 appointment 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, 2013 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.

DISPOSAL OF INVESTMENTS:

With a view to minimise overheads, your Directors have disposed off of the entire shareholding of the company in “AUSTUS Technologies INC, USA, and in Comp-u-learn Middle East FZC, Dubai.

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. During the year 9,00,000 equity shares of Rs. 10 each to promoters and 29,30,000 equity shares of Rs.10/- to selected persons other than Promoters were issued at a premium of Rs. 6.50 per share on preferential allotment basis.

DIRECTORS

The Board accepted the resignations of Mr. Manish Bansal, Executive Director and Mr. G S S Prasad, Director with effect from 10th March, 2013 and 15th July, 2013 respectively. Mr. V Suresh Babu and Mr. P Jagadeesh Babu, Directors upon retirement by rotation at this Annual General meeting are not seeking reappointment. The Board wishes to acknowledge the valuable services rendered by them to the company, during their tenure .

Mr. P.Obul Redy , Executive Director is retiring by rotation as a director at the ensuing Annual General Meeting and being eligible offers himself for reappointment . Your Board of Directors recommend his reappointment as proposed.

Sri. M. Balarama Krishnaiah, Sri. K. Bhavani Prasad, and Mr. G. Madhava Rao, who hold their offices as Additional Directors up to the date of ensuing AGM are seeking appointment as Directors at the Meeting. Your Board of Directors commend consideration and approval of their appointments as proposed.

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 31st March, 2013, 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 31st March, 2013 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, FOREIGN 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)

Particulars	2012-13	2011-12
Foreign Exchange Earnings	1404.41	1534.82
Foreign Exchange Outgo	0.78	5.89

SUBSIDIARY COMPANIES:

Company has the following companies as its 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

As required under section 212 of the Companies Act, 1956 financial statements of subsidiary companies mentioned at 1 to 5 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.

In accordance with the Accounting Standards, consolidated financial statements of the company and its subsidiaries form part of the Report and Accounts. These consolidated statements have been prepared on the basis of audited results received from the Subsidiary Companies as approved by their respective Boards.

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.

COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchange and the same is annexed to the Report of Directors.