

CTIL LIMITED

(setting standards in technology)

(FORMERLY COMP-U-LEARN TECH INDIA LIMITED)

(CIN NO: L72200TG1997PLC026934)

17TH ANNUAL REPORT

2013-14

CONTENTS

01. COMPANY ON GROWTH TRACK

02. COMPANY DETAILS

03. NOTICE

04. DIRECTORS REPORT

05. REPORT ON CORPORATE GOVERNANCE

06. MANAGEMENT DISCUSSION & ANALYSIS

FINANCIALS SECTION

07. INDEPENDENT AUDITORS REPORT

08. STANDALONE FINANCIAL STATEMENTS

- A. BALANCE SHEET AS AT 31ST MARCH, 2014
- B. PROFIT AND LOSS ACCOUNT
- C. CASH FLOW STATEMENT
- D. NOTES TO ACCOUNTS

09. INDEPENDENT AUDITORS REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS

10. CONSOLIDATED FINANCIAL STATEMENTS
- A. BALANCE SHEET AS AT 31ST MARCH, 2014
 - B. PROFIT AND LOSS ACCOUNT
 - C. NOTES TO ACCOUNTS

11. E-VOTING INSTRUCTIONS

12. BALLOT FORM

13. PROXY FORM

CONSOLIDATED RESULTS:

YEAR UNDER REVIEW:

Rs. In Lakhs		
PARTICULARS	FY 2014	FY 2013
A. Financial Performance	Rs. In Lakhs	
i. Income	4726.73	3226.30
ii. Operating Profit (PBDITA)	177.57	520.58
iii. PAT	19.24	281.57
iv. Return on Capital in %	0.73	10.74
B. Financial Position:		
v. Fixed Assets (Gross Block)	1058.15	269.01
vi. Net Current Assets	4641.71	3835.90
vii. Share Capital	3077.07	2621.55
viii. Reserves & Surplus	1926.30	1626.70
ix. Secured Loans	1636.85	1343.86
x. Miscellaneous Expenditure-R & D	99.55	108.34
xi. Net-worth	5003.37	4248.26

BOARD OF DIRECTORS:

01.Mr. P V V Satyanarayana	-	Chairman
02.Mr. K. Ramesh	-	Executive Director
03..Mr. P Obul Reddy	-	Executive Director
04.Mr. Raj Nagesh Kosaraju	-	Director
05.Mr. Balarama Krishnaiah	-	Director
06.Mr. K Bhavani Prasad	-	Director
07.Mr. G. Madhava Rao	-	Director
08. Mr. Nandipati Venkata Simhadi	-	Additional Director
09. Mr. Sanjeev Sharma	-	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 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

Date, time and Venue of the
17th Annual General Meeting
Tuesday, the 30th September, 2014,
at 9.00 A.M.
Hotel Spice Touch
8-2-309/7/3, Plot No.299, Road Number
14, Banjara Hills, Hyderabad,
Telangana 500034

REGISTERED OFFICE:

4th Floor, My Home Tycoon
Life Style Building, Greenlands
Begumpet, Hyderabad – 500 016
CIN No.
LISTED AT:

BOOK CLOSURE:

26.09.2013 TO 30.09.2013
(BOTH DAYS INCLUSIVE)

NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Members of the company that the Seventeenth Annual General Meeting of the company will be held on Tuesday , the 30th September, 2014, at 9.00 AM at Vasavi Club, Khairatabad, Hyderabad- 500016.

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2014 and Profit and Loss Account for the year ended as on that date, together with the notes and schedules, cashflow statement thereto and the reports of the Directors and Auditors thereon.
02. To appoint a Director in place of Mr. P.V.V. Satyanarayana , who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Mr. Raj Nagesh Kosaraju , who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Mr. Ramesh Koritala , who retires by rotation and being eligible, offers himself for re-appointment.
05. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT the retiring Auditors, M/s.Balaji Viswanath & Co., Chartered Accountants, Hyderabad, being eligible for re-appointment be and are hereby re-appointed as Auditors to hold office for a term of three years commencing from the conclusion of the Seventeenth Annual General Meeting upto the conclusion of the twentieth Annual General Meeting on such remuneration, terms and conditions as may be fixed by the Board of Directors, subject to ratification of the Members of the company, at every Annual General Meeting”.

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 pursuant to the provisions of Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act 2013, Mr. Nandipati Venkata Simhadri, Additional Director wef 24.12.2013, who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, along with requisite deposit amount, signifying his intention to propose Mr. Nandipati Venkata Simhadri, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 22nd Annual General Meeting or September 30, 2019, whichever is later, not liable to retire by rotation”.

07. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Special Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act 2013, Mr. Sanjeev Sharma, Additional Director wef 08.02.2014, who holds office upto the date of the ensuing Annual General Meeting in

accordance with Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, along with requisite deposit amount, signifying his intention to propose Mr. Sanjeev Sharma, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 22nd Annual General Meeting or September 30, 2019, whichever is later, not liable to retire by rotation”.

- 8. To consider and if thought fit**, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act 2013, Mr. M. Balarama Krishnaiah , Director of the company wef 15.10.2012, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, along with requisite deposit amount, signifying his intention to propose Mr. M.Balarama Krishnaiah, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 22nd Annual General Meeting or September 30, 2019, whichever is later, not liable to retire by rotation”.

BY ORDER OF THE BOARD /-

Place: Hyderabad
Date: 02.09.2014

For CTIL LIMITED
(formerly COMP-U-LEARN TECH INDIA LTD)

Sd/-
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 such a proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. a member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed.
3. Instrument of proxies in order to be effective must be deposited at the company's registered office not less than 48 hours before the meeting.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies(Management and Administration) Rules, 2014 and the Listing Agreement entered into with the Stock Exchange, the company is providing e- voting facility to enable the shareholders to cast their vote electronically on all the resolutions set forth in the Notice to the 17th Annual General Meeting to be held on Tuesday, the 30th September, 2014 at 09.00 AM. Please refer to the detailed instructions on e-voting at page no 75 to 81 of the Annual Report 2013-14. Shareholders holding shares in demat form and shareholders who have registered their email id with the company will also receive the e- voting instructions by email.

5. The Register of Members and the Share Transfer Books will remain closed from September, 27, 2014 to September, 30, 2014(both days inclusive).
6. The Annual Report 2013-14 along with the Notice of the 17th Annual General Meeting, instructions on e-voting, attendance slip and proxy form is being mailed in electronic mode to all the members whose email addresses are registered with the company/ Depository Participant. Members who have not registered their email addresses shall receive printed copies of the Annual Report.

Notice of the 17th Annual General Meeting along with the Annual Report 2013-14 will be available on the Company's website. <http://www.compulearntech.com>. Shareholders are requested to intimate promptly any change in their addresses to the Share Transfer Agent, Big Share Services Pvt Ltd, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad-500082. Phone No. 040-23374967, Fax No: 040- 23370295.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN REPECT OF SPECIAL BUSINESS:

Item No.6 and 7

Mr. Nandipati Venkata Simhadri, (Mr. Simhadri) (DIN. 00292442) (and Mr. Sanjeev Sharma, (Mr. Sharma)(DIN- 01364156) were inducted as Additional Directors on the Board of the company under Section 161 of the Companies Act, 2013,("the Act") wef from 24.12.2013 and 08.02. 2014 respectively. Accordingly they will hold office up to the date of the 17th Annual General Meeting to be held on 30.09.2014.

The Securities and exchange Board of India(SEBI) has amended Clause 49 of the Listing Agreement stipulating the conditions for the appointment of independent directors by a listed company and the Companies Act, 2013 (' the Act"), prescribes the manner in which an Independent Director needs to be appointed.

The company has received Notices in writing under Section 160 of "the Act" from a Member along with a requisite amount of deposit, proposing the candidature of Mr. Simhadri and Mr. Sharma, as Independent Directors as per the provisions of section 149 of "the Act".

Further,the company has received from each of them the following:

- a)Consent to act as Director.,
- b) Declaration confirming that he is not disqualified under section 164(2) of "the Act".
- c) Declaration under Section 149(6) of the Act, that he meets the criteria of independence.

It is proposed to appoint the aforesaid two persons as Independent Directors not liable to retire by rotation, up to the conclusion of 22nd Annual General Meeting or September, 30, 2019 , whichever is later, pursuant to the provisions of section 149 of the Act and the

Listing Agreement.

In the opinion of the Board, both Mr. Simhadri and Mr. Sharma fulfil the conditions for appointment as Independent Directors as specified in the Act, Rules made thereunder and the Listing Agreement and that they are independent of the management.

None of the Directors, Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions except Mr. Simhadri and Mr. Sharma, to the extent of their respective appointments.

The Board commends consideration and approval of the resolutions set out at Item Nos. 6 and 7 of the Notice..

Item No. 8:

Mr. M.Balarama krishnaiah (DIN 00036506) who was an Additional Director from 15.10.2012 was, subsequently, appointed as a Director liable to retire by rotation, at the Annual General Meeting of the company held on 30.09.2013.

The company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013 ("the Act") from a Member along with a requisite amount of deposit, proposing the candidature of Mr. M.Balarama krishnaiah, as an Independent Director as per the provisions of section 149 of "the Act".

The company has further received from Mr. M.Balarama Krishnaiah, consent in writing to act as Director., a declaration confirming that he is not disqualified under section 164(2) of "the Act and a declaration as per section 149 (6) of " the Act" that he meets the criteria of independence.

It is proposed to appoint him as an Independent Directors not liable to retire by rotation upto the conclusion of 22nd Annual General Meeting or September, 30, 2019 , whichever is later, pursuant to the provisions of section 149 of the Act and the Listing Agreement.

In the opinion of the Board, Mr. M.Balarama Krishnaiah, fulfils the conditions for appointment as an Independent Director as specified in the Act, Rules made there under and the Listing Agreement and that he is independent of the management.

The Board commends consideration and approval of the resolution. None of the Directors, Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested in these resolutions except Mr. Balarama Krishnaiah who is deemed to be interested to the extent of his proposed appointment.

Inspection of Documents:

The documents pertaining to Special Business are available for inspection at the Registered Office of the company between 10.30 am and 12.30 pm on all working days prior to the meeting.

BY ORDER OF THE BOARD /-

Place: Hyderabad
Date: 02.09.2014

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

Sd/-
P V.V.Satyanarayana
Chairman

DIRECTORS REPORT:

To

The Members,

You Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts for the year ended 31st March, 2014

FINANCIAL RESULTS:

The Financial Results both Consolidated and Standalone for the year ended 31st March, 2014 are summarized below:

(Rs.in Lakhs)				
Particulars	Consolidated for 2013-14	Standalone for 2013-14	Consolidated for 2012-13	Standalone for 2012-13
Income from Operations	4726.73	683.97	3226.30	1404.41
Expenditure	4549.16	568.67	2705.72	1271.89
Operating Profit (PBDIT)	177.57	115.30	520.58	132.51
Interest	113.94	100.93	144.88	105.64
Depreciation	31.27	13.12	49.33	21.15
Profit before Tax	32.36	1.25	326.36	5.72
Provision for Income Tax	11.52	0.38	52.44	1.09
Deferred Tax	(1.52)	(1.14)	-7.65	-4.45
Profit / Loss after Tax but before extraordinary items	22.36	2.39	281.57	9.08
Extraordinary items – Minority Interest	3.12	-----	1.23	-----
Net Profit carried to Balance Sheet	19.24	2.39	280.34	9.08

CONSOLIDATED PERFORMANCE:

During the year 2013-14, company has achieved a turnover of Rs.4726.73 Lakhs as against Rs.3226.30 Lakhs translating into growth of 46.50% over the previous year 2012-13. However your Directors regrets to inform you, that there was a drastic decline in Net profit (after extraordinary) items which stands at Rs.19.24 Lakhs as against previous year net profit of Rs.280.34 Lakhs. It was mainly due to excessive operational overheads in relation to fixed price contracts where input costs were disproportionately high beyond expectations of the company. Further, there was no alternative, for the Board of Directors except the completion of the projects which was mandatory as per the terms of the contract and to retain the customers and image of the company among the circles. However your Directors are confident of regaining the business repeat orders from those customers whose projects the company has completed on time notwithstanding that the company has suffered serious hit on its profits from those contracts.

Your Directors regrets rather beg a pardon from all the members for the reason that the company is not in a position to declare the dividend this year also and expressed their unhappiness about the successive failures and inability to declare dividend and reward the