



CTIL LIMITED

Setting Standards in Technology

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

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

16TH
ANNUAL REPORT
2012-13

CONTENTS	Page No.
01. COMPANY ON GROWTH TRACK	3
02. COMPANY DETAILS	4
03. NOTICE	5
04. DIRECTOR'S REPORT	7
05. CORPORATE GOVERNANCE'	12
06. MANAGEMENT DISCUSSION & ANALYSIS	22
07. FINANCIAL SECTION'	27
08. STANDALONE STATEMENTS	33
09. CONSOLIDATED STATEMENTS	48
10. STATEMENTS OF SUBSIDIARY	59
11. SPRY RESOURCES INDIA PVT LTD	59
12. ACE BPO SERVICES PVT. LTD.	77
13. CTIL INFRASTRUCTUR PVT. LTD	95
14. CTIL MEDIA PVT. LTD.	110
15. CTIL (HONGKONG) LIMITED	118
16. PROXY FORM	123

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/-

P.V.V.Satyanarayana

Chairman

Place: Hyderabad

Date: 04.09.2013

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/-

P.V.V.Satyanarayana

Chairman

Place: Hyderabad

Date: 04.09.2013

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

SUBSIADIARY 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.

PERSONNEL:

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

ACKNOWLEDGEMENTS:

We express our Heartfelt 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.

BY ORDER OF THE BOARD /-

For CTIL LIMITED

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

Sd/-

P.V.V.Satyanarayana

Chairman

Place: Hyderabad

Date: 04.09.2013

REPORT ON CORPORATE GOVERNANCE

As the Company is a part of Group B Bombay Stock Exchange, in the terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance along with the Certificate of Statutory Auditors is given as under.

Corporate Governance refers to sound management, transparency and adequate disclosures, by which companies are directed and managed. It encompasses not only the way in which the enterprise is managed and deals with its shareholders but also addresses all aspects of its relationship with society as well.

A strong governance process is integral to business success. For an important reason, a broad based governance initiative harmonizes the interest of all shareholders. Your company strongly believes that good corporate governance germinates from the mind set of management and cannot be regulated by legislation alone.

At CTIL Limited, a commitment to a mature governance process is leading to stronger business prospects, a growth of business partners (customers and suppliers), enhanced employee and investor wealth as well as increased societal development at large.

- (1) Company's Philosophy on Corporate Governance envisages the attainment of highest levels of transparency, professionalism and accountability in all areas of its operations and its interaction with its stakeholders, employees, Government and the lenders.

Company's philosophy on Corporate Governance further:

Ensure that the Quantity, Quality and Frequency of Financial and Managerial Information, which management shares with the Board, fully places the Board members in control of the Company's affairs.

Ensure that the Board exercises its fiduciary responsibilities towards shareowners and Creditors, thereby ensuring high accountability.

Ensure that the extent to which the information is disclosed to present and potential investors is maximized.

Ensure that the decision making is transparent and documentary evidence is traceable through the minutes of the meeting of the Board / Committee thereof.

Ensure that the Corporate Governance Task Force itself, the Board, the Employees and all concerned are fully committed to maximizing long-term value to the Shareowners and the Company.

Ensure that the core values of the Company are protected;

Ensure that the Company positions itself from time to time to be at par with any other Company of world class in operating practices.

- (2) Board of Directors

Composition:

The Board has an optimum number of Executive (2) and Non-Executive & Independent Directors (8) and has non executive director as the Chairman and is in conformity with Clause 49 of the Listing Agreement entered in to with the Stock Exchange in which Company's shares are listed.

Presently the Board consists of Nine Directors, whose composition is as under:

SL. NO	NAME	DESIGNATION	CATEGORY
01.	P V V Satyanarayana	Chairman	Promoter, Non-Executive
02.	P Jagadeesh Babu	Director	Promoter, Non-Executive
03.	V Suresh Babu	Director	Non-Executive Independent
04	K. Ramesh	Director	Executive ,
05	P Obul Reddy	Director	Executive
06.	Raj Nagesh Kosaraju	Director	Non-Executive Independent
07.	P. Guru Krishna	Director	Non-Executive Independent
08	K.Bhavani Prasad	Director	Non- Executive Independent
09	M.Balarama Krishnaiah	Director	Non Executive Independent
10	G.Madhava Rao	Director	Non Executive Independent

Meetings held:

During the year ended 31st March, 2013, 10 Meetings of the Board of Directors were held on the following dates 14.05.2012, 25.05.2012,03.07.2012, 13.08.2012,04.09.2012, 21.09.2012, 15.10.2012, 14.11.2012, 14.02.2013 and 19.03.2013. The company placed before the Board the Audited and Un-audited results, performance and future plans of the company and its subsidiaries from time to time. Information which is materially important, was placed before the Board. Leave of absence was granted to those who expressed their inability to attend the Board Meetings. Directors attendance at the Board Meetings, number of Directorships and committee Memberships held by them in other companies are given hereunder:

Name of the Director	No. of Board Meetings Attended	Attendance at the last	"No of other Directorships in other public companies	Committee positions in other public companies	
				Chairman	Member
G S S Prasad	11	YES	1	NIL	NIL
P Jagadeesh Babu	11	YES	0	NIL	NIL
PVV Satya- narayana	11	YES	0	NIL	NIL
P. Gurukrishna	11	YES	0	NIL	NIL
Raj Naresh Kosaraju	5	NO	0	NIL	NIL
K. Ramesh	11	YES	0	NIL	NIL
V. Suresh Babu	9	NO	0	NIL	NIL
P Obul Reddy	10	NO	0	NIL	NIL
Manish Bansal	7	NO	0	NIL	NIL
M.Balarama Krishnaiah	3	NO	3	NIL	NIL

3. COMMITTEES OF THE BOARD**a. (i) AUDIT COMMITTEE**

The Audit Committee has been constituted as per section 292 A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges.

The Audit Committee inter-alia provides assurance to the Board on the existence and adequacy of an effective internal control systems that ensures:

- Efficiency and effectiveness of internal control and audit.
- Safeguarding of Assets and adequacy of provisions for liabilities
- Reliability of all financial and other information and adequacy of disclosures
- Compliance with all relevant statutes.
- Reviewing of Company's financial reporting process and disclosure of financial Information so as to ensure that the financial statement is correct, sufficient and credible.
- Reviewing the Quarterly, Half yearly and Annual Financial statements with primary focus on accounting policies and practices, compliances with accounting Standards and legal requirements concerned with the financial statements.

Reviewing the adequacy of internal control system and Internal Audit function, ensuring compliance of Internal control systems and review of company's financial and risk management policies. Recommending the appointment and removal of statutory auditor, fixation of audit fees and also to approve payment of other professional services. Reviewing the reports furnished by the Internal Auditors and Statutory auditors and ensures suitable follow-ups thereon.

(ii) COMPOSITION:

The Audit Committee comprises of 3 Non-Executive Independent Directors after reconstitution consequent to resignation of some Directors and appointment of new Directors. During the year, the committee held (4) meeting i.e. on 14.05.2012, 13.08.2012, 14.11.2012, 14.02.2013

The attendance of members of the Committee at the meetings was as follows:

Name of Member	Status	No.of Meetings attended
P V V Satyanarayana	Chairman	4
V Suresh Babu	Member	4
P Jagadeesh Babu	Member	4

b. (i) 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 Employees Stock Option Schemes from time to time and to administer and superintendence the same.

(ii) COMPOSITION:

The Remuneration Committee comprises of 3 Non-Executive Independent Directors. The attendance of members of the Committee at the meetings held during the year under review was as follows:

Name of the Member	Status	No. of Meetings attended
P Jagadeesh Babu	Chairman	4
P V V Satyanarayana	Member	4
G S S Prasad	Member	4

Mr. GSS Prasad resigned from the Directorship with effect from 15.07.2013 and in his place, Mr. K. Bhavani Prasad is nominated as Member, in the remuneration committee.

4. REMUNERATION POLICY:

Remuneration policy of the company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice. The remuneration is decided taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

The details of the remuneration paid to the Directors during the year ended on 31st March, 2013 is given below:

Whole Time Director Rs. 7,20,000/-

i. Non Executive Directors:

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

5. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:

The Company has a share transfer and Investors Grievance Committee and is empowered to perform all the functions of the Board in relation to handling of shareholders grievances. The Committee looks into redressal of Investors Complaints and requests such as delay in transfer of shares, dematerialization etc.,

The Committee meets periodically and deals with various matters relating to

- Transfer / transmission of shares
- Issue of shares certificates in lieu of lost, sub-divided, consolidated, re-materialized or defaced certificates.
- Review of the work done by the share transfer agent
- Consolidation / splitting of folios
- Review of shares de-materialised and all other related matters
- Investors grievance and redressal mechanism and recommend measures to improve the level of Investor's services.
- Letters / complaints were received and resolved to the satisfaction of the shareholders during the year under review.
- Review of corporate actions related work.

Share transfer and investor Grievance committee consists of 4 members and is Chaired by a Non Executive Director – Mr. P V V Satyanarayana. 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.

During the financial year 2012-13, the committee met at regular intervals and approved share transfers / transmissions. The duly transferred / transmitted share certificates - physical were sent to the shareholders within a period of 30 days. There were no share transfers pending as on 31.03.2013. The Board has designated Mr.K.Ramesh , Executive Director , as the Compliance Officer.

6. DETAILS OF GENERAL BODY MEETINGS HELD:

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

Financial-Year	Date	Time	Venue
2011-12	29 th September,2012	09.00 AM	Vasavi Club 6-1-91, 2 nd Floor, Vasavi Seva Kendram, Opp. Meera Theater, Khairtabad, Hyderabad – 500 004
2010-11	30 th September ,2011	09.00 AM	Vasavi Club 6-1-91, 2 nd Floor, Vasavi Seva Kendram, Opp. Meera Theater, Khairtabad, Hyderabad – 500 004
2009-10	30 th September ,2010	09.00 AM	Ground Floor, Royal Pavillion, Ameerpet, Hyderabad-500016

7A.SPECIAL RESOULTIONS PASSED DURING THE PREVIOUS 3 AGMS:

1.Special Resolutions passed at the 15th Annual General Meeting held on 29.09.2012: NIL
Special Resolutions passed at EGMs between the dates of 14th AGM (held on 30.09.2011) and 15th AGM held on (29.09.2012) were as under

A) Special Resolutions passed at the EGM held on 04.01.2012

i. Under Section 81(1A) of the Companies Act, 1956 for allotment of 14,00,000 equity shares of Rs. 10/- each , at a premium of Rs. 6/- per share, on preferential basis.

ii) Under Section 81(1A) of the Companies Act, 1956 for allotment of 45,00,000 convertible share warrants of Rs. 10/- each , at a premium of Rs. 6/- per share, on preferential basis.

B) Special Resolutions passed at the EGM held on 27.03.2012

i. Under Section 198, 269,309 and 310, Schedule X111 of the Companies Act, 1956 for the appointment of Mr. Manish Bansal as whole time Director effective from 25.02.2012,

ii. Under Section 81(1A) of the Companies Act, 1956 for allotment of 100 Zero Coupon Fully Convertible Debentures on preferential basis upto Rs.195.00 lacs to HT MEDIA LIMITED

lii) Under Section 81 (1A) of the Companies Act, 1956, for allotment of 59,00,000 equity shares of Rs. 10/- each , at a premium of Rs. 6.50 /- per share, on preferential basis

lv) Under Section 81 (1A) of the Companies Act, 1956 , for allotment of 80,00,000 convertible share warrants of Rs. 10/- each , at a premium of Rs. 6.50 /- per warrant, on preferential basis.

C) Special Resolution passed at the EGM held on 21.07.2012:

a. Under Sec 293 (1)(d) of the Companies Act 1956 , for increasing the borrowing powers up to Rs.1000 Crores

b. Under Sec 81 (1A) of the Companies Act 1956 ,for issuance of Securities like equity shares, GDR, ADR, FCCBs, through qualified institution placement, preferential issue or private placement up to US\$ 100 Millions.

c. Under Sec 21 of the Companies Act 1956 ,to change the name of the company to” CTIL LIMITED”.

d. Rectification of the relevant date for preferential issue approved at the EGM held on 27.03.2012 as 24.02.2012 and reduction of the size of the preferential issue (Zero % fully convertible debentures) to Rs.195.00 lakhs, 50,00,000 equity shares of Rs.10/- each at a

premium of Rs.6.50 per share and 76,00,000 convertible warrants of Rs.10/- each at a premium of Rs.6.50 per share and ratification of the revised holdings of the proposes allottees.

7 AA. Postal Ballot Notices issued to the Members during the period October 2012 to August 2013 and the status thereon:

a. Postal Ballot Notice dated 15th October, 2012 for passing Special Resolution under Sec 31 of the Companies Act 1956, altering the Articles of Association , so as to increase the authorized Share Capital to Rs.225.00 Crores, was issued to the Members. However the said Resolution was not approved by the Members at that point in time.

b. Postal Ballot Notice dated 14th August, 2013 is issued to the members, for passing Special Resolutions,

(i) for alteration of objects Clause in the Memorandum of Association for the company taking up new business in Paper, Oil and Gas Industry,

(ii) for making inter- corporate investments, giving loans / or providing guarantees up to Rs.3000 Crores. including acquisition 100% equity shares in ECG Technologies, LLC, a US Company which owns 30% equity in Castleton Paper Board, LLC, a US Company engaged in Liner Board Paper Industry,

(iii) for issuance of GDRs / ADRs and FCCBs up to US\$ 300 Million for funding various business projects

The Board is hopeful of receiving approvals from the Members for the above Resolutions.

2. The following special resolution was passed at the 14th Annual General Meeting held on 30/09.2011:

Special resolution under section 81(1A) of the Companies Act, 1956 to issue, place 3450000 Convertible warrants of Rs. 10 each at a premium of Rs. 3 each to selected persons other than promoters.

3. The following special resolution was passed in the 13th Annual General Meeting held on 30.09.2010:

Special resolution under section 81(1A) of the Companies Act, 1956 to issue, place Equity shares, Convertible warrants or such other financial instruments as the Board thinks fit and appropriate to raise moneys upto Rs. 500 Crores in aggregate.

8. DISCLOSURES BY MANAGEMENT:

(a) 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.

(b) There were no instances of non-compliance by the company and no penalties or strictures imposed on the company by capital markets regulator since listing of the shares i.e. 13.09.2000.

(c) Whistle Blower policy: The Company has in place a whistle blower policy and it affirmed that no personnel has been denied access to the Audit Committee. Further, the company recognizes the importance of reporting to the Management by employees at any level about unethical behavior or suspected fraud in violation of the Company's code of conduct or any other point of concern.

(d) Shareholdings of Directors in the Company as on 31.03.2013: 9,00,000 equity shares of Rs.10/- held by Mr. P.Jadadish Babu, Director, and the shares held by other Directors –NIL—.

(e) The Company has complied with all the mandatory requirements of the clause 49 relating to the Corporate Governance and has adopted some of the non-mandatory requirements of

the clause 49 like the constitution of the remuneration committee.

9. MEANS OF COMMUNICATION:

Quarterly provisional results are published in prominent daily newspapers viz, Financial Express & Andhra Prabha.

Adoption of Quarterly results for the Financial year 2013-14 (Tentative and subject to change)
Financial reporting for the first quarter ending 30th June, 2013 : Between 1st and 15th of August, 2013

Financial reporting for the second quarter ending 30th September, 2013: Between 1st and 15th of November, 2013

Financial reporting for the third quarter ending 31st December, 2013: Between 1st and 15th of February, 2014

Financial reporting for the fourth quarter ending 31st March, 2014: Between 1st and 15th of May, 2014.

10.GENERAL SHARE HOLDERS INFORAMTION:

a. Date of Incorporation : 22nd April 1997

(The Company was originally incorporated as “COMP-U-LEARN TECH INDIA PVT LTD “ on 22.04.1997. Company’s name was changed to “COMP-U-LEARN TECH INDI LIMITED” w.e.f. 10.01.2000 and was subsequently changed to “CTIL LIMITED” w.e.f. 29.08.2012.

b. Registered Office : 4th Floor, My Home Tycoon,
Life Style Building, Green lands, Begumpet,
Hyderabad – 500 016,
A.P.India

c. Date and time of the 16th AGM : 309th September, 2013, at 9.00 A.M.

d. Venue of the 16th AGM : Vasavi Club, Khairatabad,
OPP: Sensation Theatre,
Hyderabad – 500 004

e. Financial Calendar : 1st April, 2012 to 31st March, 2013.

f. Date of Book Closure : 27th September, 2013 to 30th September, 2013

g. Dividend payment date : Not Applicable

h. Listing of Equity shares
on Stock Exchange at : The Bombay Stock Exchange Limited
PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
MUMBAI -400 001

Stock Code : 532363

The Company ISIN Number : INE394B01017

(i) The company confirms that it has paid annual listing fees due to the Mumbai Stock Exchange,

CDSL & NSDL for the year 2013-14.

j. Stock Market Price data for the year 2012-13:

BOMBAY STOCK EXCHANGE:

MONTH	HIGH	LOW
APRIL 2012	13.95	10.32
MAY 2012	25.09	9.52
JUNE 2012	23.70	12.85
JULY 2012	19.70	13.65
AUGUST 2012	16.45	12.50
SEPTEMBER 2012	17.25	12.60
OCTOBER 2012	13.68	11.04
NOVEMBER 2012	12.90	10.32
DECEMBER 2012	11.94	9.05
JANUARY 2013	9.64	5.09
FEBRUARY 2013	10.31	5.61
MARCH 2013	6.48	3.86

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: CTIL LIMITED

(formerly known as Comp-U-Lean Tech India Limited)

3rd Floor, Amrutha Ville, Opp: Yashoda Hospital,
Somajiguda, Raj Bhavan Road, Hyderabad – 500 082

Ph. No: 040-23374967, Fax No: 040-23370295

The R & ST agents acknowledges and executes transfers of securities, arranges for issue of duplicates / split share certificates etc. The R & ST agent also accepts, deals and resolves complaints of shareholders.

Share Transfer Systems: Share transfer and Investor and Investor Grievance Committee also meets at frequent intervals and approves share transfers. Big share Services Private Limited, company's Registrar and Share Transfer Agents process these transfers. Share transfers are registered and returned with in 30 days from the date of lodgment if the documents are complete in all respects.

k. Distribution of shareholding as on 31st March, 2013:

Range	Number of shareholders	% of shareholders	Number of shares	% of shares
Up to 5000	5355	73.1457	878208	3.3500
5001 – 10000	673	9.1927	597315	2.2785
10001 – 20000	360	4.9174	578273	2.2058
20001 – 30000	220	3.0051	573579	2.1879
30001 – 40000	92	1.2567	339251	1.2941
40001 – 50000	105	1.4342	498265	1.9006
50001 – 100000	211	2.8821	1685113	6.4279
Above 1 lakhs	37	0.5054	2594821	9.8979
1000001 – 5000000	42	0.5737	8847525	33.7491
5000001- 10000000	6	0.0820	4613531	17.5984
TOTAL	7321	–	26215554	100.0000

m. Shareholding Pattern of the Company as on 31st of March, 2013:

Category	Number of Shares held	% of Total Shareholding
A. Promoters (Incl. Persons Acting in Concert)	3220900	12.29
B. Non Promoters		
i. NRI's / OCBs / FII's	57840	0.22
ii. Corporate Bodies	5744300	21.91
iii. Trusts	500	0.00
iv. Clearing Members	102640	0.39
v. Public (Individuals other than above)	17089374	65.19
Total:	26215554	100

Dematerialization of Shares;

The company's shares are traded in dematerialized form. As on 31st March, 2013, 83.87% of the company's total shares representing 21987925 shares were held in dematerialized form and the balance 16.13% representing 4227629 shares were in Physical form.

- j. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.
- a) The Company had issued 34,50,000 Convertible warrants of Rs.10/- each at a premium of Rs.3 /- per warrant for cash vide special Resolution passed at 14th AGM held on 30th September, 2011. Each warrant carries an option to convert into one equity share of face value of Rs.10/- each within a period not later than 18 months from the date of issue. As the company had received subscription for only 33,34,612 equity share warrants, only 33,34,612 equity warrants were allotted. Out 33,34,612 equity share warrants, full amount have been received only for 16,28,203 share warrants and the Board has allotted 16,28,203 equity shares against the conversion of warrants. Application money received for the remaining 17,06,409 warrants has been forfeited .
- b) Rs.1,95,00,000 worth Fully Convertible Debentures were allotted to M/s H T Media Ltd.
- c) The company has issued 80,00,000 Fully Convertible Warrants of Rs.10/- each at a premium of Rs.6.50 per warrant for cash of which 30,00,000 convertible equity share warrants to Promoter Group and 50,00,000 convertible equity share warrants allotted to other than Promoters vide special resolution passed at 27th March, 2012. Each warrant carries an option to convert into one equity share of face value of Rs.10/- each within a period not later than 18 months from the date of issue. The company has received subscription for only 60,18,180 equity share warrants and hence only 60,18,180 equity warrants i.e. 30,00,000 Promoter group and 30,18,180 fully convertible share warrants were allotted to selected persons other than Promoters, on preferential basis . Therefore the resulting equity shares after conversion would be 60,18,180 equity shares only.
- k. Address for Correspondence:
The Shareholders should address their correspondence to the Company's Registrar & Share Transfer Agents at the address mentioned below:

Big share Services Private Limited
Unit:CTIL LIMITED
(formerly known as Comp-U-Lean Tech India Limited)
3rd Floor, Amrutha Ville, Opp: Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad – 500 082
Ph. No: 040-23374967, Fax No: 040-23370295

Shareholders may also contact for information at the Company's registered Office situated at 4th Floor, My Home Tycoon, Life Style Building, Greenlands, Begumpet, Hyderabad – 500 016,
E-mail at : investor-relations@compulearntech.com.

Place: Hyderabad
Date: 04.09.2013

For and on behalf of the Board of Directors of
for CTIL LIMITED
(Formerly Known as Comp-u-learn Tech India Limited)

Sd/-
K.Ramesh
Executive Director

Sd/-
P V V Satyanarayana
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS:**OVERVIEW:**

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

BUSINESS ANALYSIS:

CTIL Limited is a leading global business and information technology services company that leverages deep industry and functional expertise, leading technology practices, and an advanced, global delivery model to help clients transform their highest-value business processes and improve their business performance.

The Company's professionals excel in enterprise solutions, supply chain management, client relationship management, business intelligence, business process quality, engineering and product lifecycle management, and infrastructure services, among other key capabilities. The Group of subsidiary spans Infrastructure, BPO Services, e-governance, Information technology and the Company development and delivery centers in the Hong Kong, Dubai and Singapore serve numerous clients.

BUSINESS OUTLOOK AND PROSPECTS:

- The company is confident of sustainable growth
- The global technology related spending is expected to grow, led by adoption of outsourcing which will benefit the company
- Greater focus on cost and operational efficiencies in the global environment is expected to enhance global sourcing
- The company will continue to focus on tactical measures in order to improve margins. Such measures may include price increases, more value added services, cost savings through fresh hiring, higher efficiency and productivity.

DIVERSIFICATION PLANS :

Having achieved the growth in software sector and with business exposure gained over the years, the company envisages diversification plans to foray into e-learning space.

1. The Board has previously reported that your Company has entered into a Memorandum of Understanding with ECG Technology LLC, USA ("ECG") for acquiring 100% interest in ECG, a leading engineering technical and design consulting company with significant US presence. This acquisition would pave way to your Company to get access to ECG's investment portfolio in Castleton Paper Boards LLC ("CPB") in which ECG holds 30% interest. CPB, a manufacturer of high end liner board paper used in container packaging, has been granted permits and lease rights for the development, construction and operation of a new modern paper mill in Rensselaer County, New York. USA. Considering the growing demand for this high end liner paper boards in container packaging, the Board is of opinion that acquisition of ECG shall give your Company an opportunity to be part of a growing business/markets in USA and accrual of incremental revenues and profits that are rolled up from ECG's operations. This is also in concurrence with your Company's endeavors in de-risking the present businesses by exploring growth opportunities in other business areas. While, this acquisition entails a capital commitment of USD 71 million over a period of time, your Company is hopeful of meeting the same by raising fresh capital and by adopting a more focused approach in entire transaction.

II. E-based real estate market place:

Real Estate is one of key growth drivers of India and is being considered as an attractive destination for considerable investments. The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanization. The real estate sector has transformed from being unorganized to a dynamic and organized sector over the past decade. As this sector started aligning with organized market place, the usage of technology by both developers and end customers has become imperative in order to facilitate the transaction flows.

The service offering in real estate market place like transaction facilitation, niche market consultancy and data repository services give rise to huge opportunity. The e-based interaction among various players in real estate market place entails new entrants as the market is expected to grow at a CAGR of 50-100% in the coming years, mainly on the back of increased focus on this medium of communication by buyers as well as developers. This model also helps decision-making faster for buyers.

Your Company, backed by its considerable presence in ITES and E-based market place technologies, is looking for more business synergies in e-based real estate market place with particular focus on Group booking transactions. Your Company is in the process of launching a vibrant portal in order to provide a repository of services to developers, buyers and other market intermediaries. We expect these synergies will facilitate a greater enhancement in services basket of your Company and translate into considerable value addition to Company's future growth. Your company is planning to promote a subsidiary company to undertake this business.

111. The Company is planning to setup a wholly owned subsidiary company in USA and in republic of Singapore for acquiring companies available overseas which have synergies with the business of the company.

1V. With a view to acquire 51% stake in M/s Doctorstime Health Services Pvt Ltd, the company has constituted a committee to study various aspects of the acquisition and carry out due diligence of the said company and is also planning to enter into joint venture with M/s Sreeven Infocom Ltd, a Hyderabad based e-governance company for execution of contracts for issuing Aadhar Cards and other e-governance projects.

FUTURE OUTLOOK:

Future of the company is very promising and bright in view of its growth plans by itself and through its subsidiaries. During the last two years, the company has identified e-learning as a thrust area for future growth and has undertaken considerable Research and Development in the e-learning space.

Online education at CTIL is created around the principle of using advanced technology and enhanced delivery methods to make classes accessible and easy to use. Students can navigate lessons and explore various modules with the click of a mouse, and communicate with fellow students and faculty via email and message boards. User-friendly online classroom environment makes learning interactive and enjoyable. Classes, academic resources, and support services are all easily accessible. CTIL offers a full range of support services, including technical support available by phone, email, and live chat. Students will find is a commitment to providing them with opportunities to succeed.

OPPORTUNITIES AND THREATS:

Presented below is management's assessment of some key potential opportunities and threats associated with its business. The management intends to leverage such opportunities in an effective manner to optimize business advantages and is also focused to create effective mitigation

strategies for all potential threats that could impact the business operations. A more detailed Risk Management Report is available elsewhere in the annual report.

Opportunities:

The company, on a continuous basis, scans the market for scalable opportunities and has over the past twelve months identified some key areas of growth opportunities. These opportunities are in the areas of Health Care and Insurance BPO Services, e-governance, e-learning. The company is making concerted efforts and investments to move up the value chain in its chosen markets and acquiring new competencies and services. It includes strengthening of domain knowledge, hiring highly talented sales and marketing managers, restructuring of businesses, project management and investments in new geographies. The company is experiencing significant traction from its existing customers and is receiving several enquiries from potential customers in its chosen markets. The company continues to strengthen and build relationships with its current and prospective customers as well as its global delivery model to ensure a low total cost of ownership for the customer.

Threats:

Following are some of the major risks, which the management believes form a part of the company's business and the company seriously engaged itself to mitigate them.

- Financial Risks - foreign currency rate fluctuations
- Business Portfolio Risks - includes vertical domain concentration, service concentration, client
- Concentrations and geographical concentration.
- Legal and Statutory Risks -includes contractual liabilities & statutory compliances
- Competition Risks - New competitors may enter the markets in which the company operates
- A more detailed analysis of the above appears in the Risk Management report in the Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company has in place adequate system of internal control commensurate with its size and nature of its operations to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition and that transactions are authorized, recorded and reported correctly, Management continuously reviews the Internal Control systems and procedures to ensure orderly and efficient conduct of business.

HUMAN RESOURCES DEVELOPMENT:

The company continues to benchmark and build its HR practices to help attract, retain and develop requisite talent to support its growth. HR's ability to support business strategy with its human capital strategy is an important determinant to the company's future business performance. The company has put in place robust recruitment processes and helped scale critical engagements in a very short span of time. The principle feature of the company's HR strength is its multipronged talent acquisition and retention strategy. These include talent acquisition and building the verticals with varied domain specialists, leadership development initiatives and successful implementation of comprehensive employee engagement plan which engages the body, mind and soul of the employees. HR plays a key strategic role to support the organization and its various ecosystems in achieving various goals and targets set by deploying best practices and measures.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the company's objectives, projections, outlook, expectations, estimates and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make a significant difference to the company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the company does not have any direct control. Readers are cautioned not to place undue reliance on this forward-looking statement. The following discussion and analysis should be read in conjunction with our financial statements included herein and the notes thereto.

CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT:

The Company has laid down a code of conduct for all Board members and senior management personnel of the company. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

ED CERTIFICATION:

A certificate from the Executive Director, relating to the Financial Statements of the company, is annexed to this report.

Executive Director Certification:

To
The Board of Directors
CTIL Limited
(Formerly known as Comp-u-Learn Tech India Limited)

I, the undersigned, in my capacity as the Executive Director of CTIL Limited ("The Company") to the best of our knowledge and belief certify that:

- (a) I have reviewed Financial Statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - (iii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and Regulations.
- (a) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (b) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (c) I have indicated to the auditors and the Audit Committee that there are no
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

- c. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- (d) I affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- (e) I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For CTIL Limited
(formerly known as Comp-u-learn Tech India Limited)

Executive Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
CTIL LIMITED
Formerly known as
Comp-U-Learn Tech India Limited,
Hyderabad

We have examined the compliance of conditions of corporate governance by CTIL Limited for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, subject to:

- i. Our reliance upon the certificate received by the company from its Registrar for the number of complaints received from the shareholders and the number of complaints resolved during the financial year and that there are no share transfers pending as at the year end as stated under serial number 5 under Committees of Board of the Company's report on the Corporate Governance;
- ii. Our having relied on the representation of the management that there was no transaction of material nature with the management of their relatives that may have potential conflict with the interest of the company at large, as stipulated under serial 12(a) under Disclosure of the company's report on corporate governance:

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 4th of September'2013

For BALAJI VISWANATH & CO
CHARTERED ACCOUNTANTS

(B. Balaji Viswanath)
Proprietor.
Membership No :029357

**Auditors' Report to the Members of CTIL Limited
Formerly known as Comp-U-Learn Tech India Limited.**

Report on the financial Statements

We have audited the accompanying financial statements of **CTIL Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act 1956 ("the Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of profit and Loss, of the profit for year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.

- 2 As required by section 227 (3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of profit and Loss, Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board Directors, none of the director is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BALAJI VISWANATH & CO
Chartered Accountants
(Firm Regn .No. 008194S)

B Balaji Viswanath & Co
Proprietor
M.No. 029357

Place: Hyderabad
Date : 30/05/2013

**Annexure referred to in paragraph 3 of our report of even date
Referred to in paragraph 1 under the heading of “Report on Other Legal and
Regulatory Requirements” of our report of even date.**

1.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the company, is not affected.
2. The Company is a service company, primarily rendering IT services. Accordingly, it doesn't hold any physical inventories. Thus paragraph 4(ii) of the order is not applicable.
3.
 - a. The company has granted interest free unsecured loan to bodies corporate listed in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.193.24 Lakhs and the year-end balance of loan granted is Rs.321.37 lakhs.
 - b. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - c. In respect of loans granted by the Company, repayments of principal amount are regular.
 - d. There are no overdue amounts as at the year end.
 - e. The company has not taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - f. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - g. In respect of loan taken by the Company, the repayments of principal amount are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control systems.
5.
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us the company has not accepted deposits from Public. Hence, compliance with the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from

the public is not applicable. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal of the company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Central Government has not prescribed Maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company.
9. **In respect of statutory dues:**
 - a. According to the records of the Company, the undisputed statutory due including provident Fund, Employees State Insurance, Income tax, excise duty, sales tax and Cess have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2013 for a period of more than six months from the date they become payable.
10. The company has accumulated losses. However, it has not incurred any cash losses in the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions & banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has given guarantees for loans taken by its subsidiary company and associate company from bank / financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
16. In our opinion according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
17. In our opinion and according to the information and explanation given to us and on overall examination of balance sheet of the company, we are of the opinion that there are no funds raised for short term basis that have been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of issue of Debentures during the year; hence paragraph (xix) of the order is not applicable to the company.
20. According to the information and explanations given to us during the year the company has not

raised any funds on public issue and hence this clause is not applicable to the company.

21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For **BALAJI VISWANATH & CO**

Chartered Accountants

(Firm Regn .No. 008194S)

B Balaji Viswanath & Co

Proprietor

M.No. 029357

Place: Hyderabad

Date : 30/05/2013

CTIL LIMITED

(Formerly COMP-U-LEARNTECH INDIA LIMITED)

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

STAND ALONE BALANCE SHEET AS AT 31st MARCH,2013

(Rupees)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I EQUITY AND LIABILITIES:			
1 Shareholders funds			
(a) Share Capital	2	262,155,540	223,855,540
(b) Reserves and Surplus	3	127,271,254	101,468,349
2 Share application money pending allotment			
		39,645,000	24,870,000
3 Non-current liabilities			
(a) Long-term borrowings	4	70,248	190,578
(b) Deferred tax Liability (net)		1,319,748	1,764,962
(c) Other Long term liabilities	5	27,783,510	27,783,510
(d) Long-term provisions		-	-
4 Current Liabilities			
(a) Short-term borrowings	6	98,534,200	85,015,578
(b) Trade payables		10,299,357	42,929,433
(c) Other current liabilities	7	49,466,443	41,406,188
(d) Short-term provisions	8	334,214	746,938
TOTAL		616,879,514	550,031,076
II ASSETS:			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	3,306,151	5,421,481
(ii) Intangible assets		61,347,101	69,186,664
(iii) Capital work - in - progress			
(b) Non-current Investments	10	113,363,600	115,643,100
(c) Deferred tax assets (net)		-	-
(d) Long- Term Loans and advances		-	-
2 Current assets			
(a) Inventories	11	34,735,350	38,465,350
(b) Trade Receivables	12	324,211,045	278,044,661
(c) Cash and bank balances	13	15,494,038	11,325,087
(d) Short -term loans and advances	14	63,958,069	31,480,573
(e) Other current assets	15	464,160	464,160
TOTAL		616,879,514	550,031,076
Significant Accounting policies and notes to accounts 1 to 35			

 As per our Report of even date
for Balaji Viswanath & Co,
 Chartered Accountants.

sd/-

B.Balaji Viswanath
 Proprietor
 M.No. 029357

 For and on behalf of the board
 CTIL Limited

sd/-

PVV Satyanarayana
 Chairman

sd/-

K. Ramesh
 Executive Director

 Place : Hyderabad
 Date : 30-05-2013

CTIL LIMITED
(Formerly COMP-U-LEARNTECH INDIA LIMITED)

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

(Rupees)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I Revenue from operations	16	140,440,858	153,482,247
II Other Income	17	-	1,614,890
III Total Revenue (I+II)		140,440,858	155,097,137
IV Expenses:			
a) (Increase)/Decrease in Inventory	18	3,730,000	2,935,050
b) Operating Expenses	19	102,591,650	101,984,608
c) Employee benefit Exepense	20	9,846,331	14,286,368
d) Finance Costs	21	10,564,322	13,380,527
e) Depreciation and amortisation expense	10	2,115,330	3,402,355
f) Other Exepenses	22	11,021,613	15,079,433
Total Expenses		139,869,246	151,068,341
V Profit before tax (III-IV)		571,612	4,028,796
VI Tax Expense:			
(a) Current tax	23	108,921	746,938
(b) Deferred Tax		(445,214)	(585,958)
		(336,293)	160,980
VII Profit / (Loss) for the period (V-VI)		907,905	3,867,816
VIII Earnings per equity share: (Face value of Rs.10/- each)			
(1) Basic		0.03	0.17
(2) Diluted		0.03	0.19

Significant accounting policies and notes to accounts 1 to 35

As per our Report of even date
for Balaji Viswanath & Co,
Chartered Accountants.

sd/-

B.Balaji Viswanath
Proprietor
M.No. 029357

For and on behalf of the board
CTIL Limited

sd/-

PVV Satyanarayana
Chairman

sd/-

K. Ramesh
Executive Director

Place : Hyderabad
Date : 30-05-2013

CTIL LIMITED
(Formerly COMP-U-LEARNTECH INDIA LIMITED)

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

Notes to accounts
NOTE NO: 2 - SHARE CAPITAL:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Authorised Equity Shares of Rs. 10/- each	50000000	500000000	50000000	500000000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer footnote (a) to (c) below)	26215554	262155540	22385554	223855540
Total	26215554	262155540	22385554	223855540

Footnote:
(a) Reconciliation of the number of shares outstanding as at March 31, 2013 and March 31, 2012:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	22385554	223855540	19155000	191550000
Equity Shares Issued during the year	3830000	38300000	3230554	32305540
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	26215554	262155540	22385554	223855540

(b) Details of Shareholders holding more than 5% shares:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Pinnamaneni Jagadeesh Babu	1391000	5.31%	1391000	6.21%

(c) Details of Shareholding by Holding company and its subsidiaries:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	-	-	-	-

CTIL LIMITED
(Formerly COMP-U-LEARNTECH INDIA LIMITED)

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

Notes to accounts
NOTE NO: 3 - RESERVES AND SURPLUS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
i) Securities Premium reserve		
Opening Balance	118804418	63885000
(+) Additions during the year	24895000	54919418
Closing Balance	143699418	118804418
ii) General Reserve		
Opening Balance	4,518,761	-
(+) Share application on warrants forfeited	0	4518761
Closing Balance	4,518,761	4518761
iii) Surplus		
(+) Additions for the year	907905	3867816
(-) Appropriations	-	-25722646
Closing Balance	-20946925	-21854830
Total (a + b+c)	127271254	101468349

NOTE : 4 - LONG TERM BORROWINGS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Secured Loans		
Term Loans		
From Financial Institutions		
- Magma Finance Corporation Limited	70248	190,578.00
Hypothecation Loans		
From Banks		
- Uco Bank	-	-
(Refer foot note (a) to (c) below)	70248	190578

Foot Note
(a) security Details

Hypothecation loans are secured by hypothecation of such assets.

(b) Repayment conditions :

Term loans are repayable on equated monthly instalments.

CTIL LIMITED
(Formerly COMP-U-LEARNTECH INDIA LIMITED)

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

NOTE NO: 5 - OTHER LONG TERM LIABILITIES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
UNSECURED LOANS FROM K. RAMESH	3,683,510	3,683,510
P. VENKATA RAMANA	175,000	175,000
P. RATNA PRAMEELA	1,500,000	1,500,000
P. NAGANDRA PRASAD	1,500,000	1,500,000
P. MOHINI RAJYA LAKSHMI	300,000	300,000
P. SITARAMAMMA	2,100,000	2,100,000
P. ANANTHA LAKSHMI	1,500,000	1,500,000
P. GOKUL CHAND	1,500,000	1,500,000
P. VENKATESWARA RAO	1,500,000	1,500,000
P. SAI LAKSHMI	1,800,000	1,800,000
SRI LAKSHMI PALETI	1,500,000	1,500,000
NARENDRA BABU PALETI	120,000	120,000
PRATAP CHIRUMAMILLA	1,500,000	1,500,000
ANIL KUMAR POTLA	1,500,000	1,500,000
VENKATESWAR RAO MALEMPATI	1,500,000	1,500,000
BHANU PRASAD	105,000	105,000
MURALIDHAR SAI NARAPAREDDY	1,500,000	1,500,000
PRASANNA VINNAKOTA	1,500,000	1,500,000
K. RADHA KRISHNA	1,500,000	1,500,000
M. VENKATESWARA RAO	1,500,000	1,500,000
	27,783,510	27,783,510

NOTE NO: 6 - SHORT TERM BORROWINGS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Working Capital Loans from banks		
i) Uco Bank - Packing Credit	35,748,590	37,630,000
ii) UCo Bank - FBP	62,785,610	47,385,578
(Security details refer foot note below)		
	98,534,200	85,015,578

Foot Note:
(a) Security details:

(i) secured by mortgages on all the present and future movable assets of the company and secured by EM of office premises located at 6-3-1192/2/1 to 16, Kundan Bagh, Begumpet, Hyderabad belonging to SPRY Resources India Private Limited and guaranteed by Spry Resources India Private Limited and the directors in their personal capacities

CTIL LIMITED
(Formerly COMP-U-LEARNTECH INDIA LIMITED)

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

NOTE NO: 7 - OTHER CURRENT LIABILITIES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Share Application Money		
(b) Share Warrant Application Money	21,432,383	12,364,883
(c) Interest accrued but not due	-	1,852
(d) Statutory dues payable	1,083,710	2,781,235
(e) Expenses Payable	26,871,366	26,160,521
(f) Vehicle Loan instalments due in the next 12 Months	78,984	97,697
	49,466,443	41,406,188

Notes to accounts
NOTE NO: 8 - SHORT-TERM PROVISIONS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Provision for Income tax	334,214	746,938
(b) Provision for Expenses		
	334,214	746,938

NOTE NO: 10 - NON-CURRENT INVESTMENTS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Long term investments in Equities		
Unquoted—Subsidiaries		
-Ace BPO Services Private Limited	36,000,000	36,000,000
-CTIL (Hong Kong) Limited	2,787,900	2,787,900
-CTIL Infrastructure Private Limited	27,075,700	27,075,700
-CTIL Media Private Limited	1,000,000	1,000,000
-SPRY Resources India Private Limited	46,500,000	46,500,000
-Comp-u-learn Middle East FZC	-	2,279,500
Others	NIL	NIL
	113,363,600	115,643,100

NOTE NO: 11 - INVENTORIES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
a) Work in process in respect of partly executed projects	34,735,350	38,465,350
	34,735,350	38,465,350

NOTE NO: 12 - TRADE RECEIVABLES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(Unsecured and considered good)		
(a) Debts outstanding for more than six months	226,025,795	194,051,478
(b) Other debts	98,185,250	83,993,183
	324,211,045	278,044,661

NOTE NO: 13 - CASH AND CASH EQUIVALENTS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Cash and cash equivalents:		
(i) Balances with banks;		
(1) In Deposit Accounts		
(2) In Current Accounts	15,345,682	11,271,042
(3) Cheques on Hand	-	
(ii) Cash on hand	148,356	54,045
(b) Other bank balances:		
In Deposit Accounts	-	-
	15,494,038	11,325,087

NOTE NO: 14 - SHORT TERM LOANS AND ADVANCES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(Unsecured and considered good)		
(a) Loans to related parties	34,416,569	12,814,073
(b) Deposits	56,500	56,500
(c) Other advances & Receivables	29,485,000	18,610,000
	63,958,069	31,480,573

NOTE NO: 15 - OTHER CURRENT ASSETS:

PARTICULARS	As At March 31, 2012 Rupees	As At March 31, 2011 Rupees
(a) Advance Tax and TDS	464,160	464,160
	464,160	464,160

NOTE NO: 16 - REVENUE FROM OPERATIONS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Income from Software Development	140,440,858	153,482,247
	140,440,858	153,482,247

NOTE NO: 17 - OTHER INCOME:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Interest Income	-	103,616
Exchange rate differences	-	627,844
Website Development Charges	-	883,430
	-	1,614,890

NOTE NO: 18 - CHANGES IN INVENTORIES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Closing Stock	34,735,350	38,465,350
Less: Opening Stock	38,465,350	41,400,400
	(3,730,000)	(2,935,050)

NOTE NO: 19 - OPERATING EXPENSES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Software Development Charges	61,364,200	100,784,660
Computer Consumables	584,422	686,213
Exchange rate differences	565,752	-
Consultancy charges	-	150,000
Salaries	39,792,407	-
Computers, electrical and other hardware Maintenance	284,869	363,735
	102,591,650	101,984,608

NOTE NO.20 - EMPLOYEE BENEFIT EXPENSE:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Salaries,wages and bonus	8,547,655	13,047,262
Staff Welfare	578,676	699,106
Directors Remuneration	720,000	540,000
	9,846,331	14,286,368

NOTE NO: 21 - FINANCE COSTS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Interest Expenses		
- on working capital loans	10,454,441	12,376,461
-on TDS	-	175,004
- others	51,535	34,743
(b) Other borrowing costs		
- Bank Charges	58,346	794,319
	10,564,322	13,380,527

NOTE NO: 22 - OTHER EXPENSES:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Advertisement & publicity	46,721	41,984
Audit fee & certification charges	168,540	150,000
Board Meeting Expenses	215,415	188,160
Business Promotion/Marketing Expenses	105,496	658,010
Certification Expenses	25,000	5,000
Directors Sitting Fee	185,000	150,000
Electricity	268,266	219,991
General Meeting Expenses	84,985	79,286
Insurance	402,793	1,589,773
Internet	48,000	48,000
Miscellaneous Expenses Written off	7,839,563	4,420,833
Office Maintenance	164,448	836,020
Petrol and diesel	111,980	763,050
Postage & Courier Service charges	174,550	671,240
Printing & Stationery	204,581	883,401
Licenses,Rates & Taxes	484,050	778,986
Security Charges	69,600	69,600
Telephone Charges	124,428	644,929
Travelling & conveyance	298,197	2,881,170
	11,021,613	15,079,433

NOTE NO: 23- CURRENT TAX:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Current tax	108,921	746,938
Less: MAT credit entitlement	-	
Net Current tax	108,921	746,938

DEPRECIATION AS PER COMPANIES ACT RULES

NOTE NO : 9 : FIXED ASSETS:

		(Rupees)											
S. No	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK			
		AS AT 01.04.2012	Additions During the Year	Deletions	As at 31.03.2013	As at 31.03.2012	For the Year	Deletions	UPTO 31.03.2013	As at 31.03.2013	As at 31.03.2012		
1	Furniture & Fittings	24,031	-	-	24,031	24,031	-	-	24,031	-	-	-	-
2	Computer - Hardware	27,164,379	-	-	27,164,379	22,154,177	2,004,081	-	24,158,258	3,006,121	5,010,202	-	5,010,202
3	Computer - software	9,796,398	-	-	9,796,398	9,796,398	-	-	9,796,398	-	-	-	-
4	Electrical Fitting	293,941	-	-	293,941	237,028	7,917	-	244,945	48,996	56,913	-	56,913
5	Plant & machinery												
a)	Electrical & Related Equipment	110,946	-	-	110,946	97,697	1,843	-	99,540	11,406	13,249	-	13,249
b)	Office Equipment	23,492	-	-	23,492	23,492	-	-	23,492	-	-	-	-
6	Vehicle	392,000	-	-	392,000	50,883	101,489	-	152,372	239,628	341,117	-	341,117
	TOTAL	37,805,187	-	-	37,805,187	32,383,706	2,115,330	-	34,499,036	3,306,151	5,421,481	-	5,421,481
	PREVIOUS YEAR	37,413,187	392,000	-	37,805,187	28,981,351	3,402,355	-	32,383,706	5,421,481	8,431,83	-	8,431,83

CTIL LIMITED

FORMERLY KNOWN AS COMP-U-LEARN TECH INDIA LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2013

Particulars	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
A) Cash flow from Operating Activities		
Net profit before Tax	907,905	3,867,816
Adjustment for :		
1) Depreciation	2,115,330	3,402,355
2) Deferred Tax	(445,214)	(585,958)
3) Interest Paid	-	-
4) Loss on sale of assets	-	-
Cash flow from operations before working capital changes	2,578,021	6,684,213
1) (Increase)/decrease in trade receivables	(46,166,384)	(2,063,954)
2) (Increase) /decrease in Inventories	3,730,000	2,935,050
3) (Increase) /decrease in Loans and advances	(32,477,496)	-
4) Increase /(decrease) in current Liabilities	(24,982,545)	(2,728,087)
Net cash flow from operating Activities	(97,318,404)	4,827,222
B)Cash flow from Investing Activities		
1) Purchase of Fixed assets and Advances on capital work in progress	-	(392,000)
2) Decrease in Longterm Liabilities	(120,330)	(6,054,234)
3) Share Application Monery & Premium Received	39,670,000	69,657,344
4) Investment into others	-	(26,975,700)
5) Intangible assets	7,839,563	(29,766,467)
Net cash used in Investing Activities	47,389,233	6,468,943
C) Cash flow from financing Activities		
1) Increase /(decrease) in Share Capital	38,300,000	-
2) Increase/(Decrease) in Borrowings	13,518,622	(4,685,882)
Net cash flow from Financing Activities	51,818,622	(4,685,882)
Net increase/(decrease)in cash or cash equivalents	1,889,451	6,610,283
Net cash & cash equivalents at the beginning of the year	11,325,087	4,714,804
Net cash & cash equivalents at the closing of the year	15,494,038	11,325,087
Net increase/(decrease)in cash or cash equivalents	4,168,951	6,610,283

As per our Report of even date
for Balaji Viswanath & Co,
Chartered Accountants.

sd/-

B.Balaji Viswanath
Proprietor
M.No. 029357

Place : Hyderabad
Date : 30-05-2013

For and on behalf of the board
CTIL Limited

sd/-

PVV Satyanarayana
Chairman

sd/-

K. Ramesh
Executive Director

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013
Note No. 1: SIGNIFICANT ACCOUNTING POLICIES

Note 1. Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards Notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Revenue Recognition

Revenue is primarily derived from software development and related services and from the licensing of software products. Arrangements with clients for software development and related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities / creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets up to the time they are completed.

4. Depreciation

Depreciation on fixed assets has been provided on the straight line method and at the rates and in manner specified in Schedule xiv to the Companies Act, 1956.

5. Investments

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature. Current investments are valued at the cost or market value whichever is lower.

6. Borrowing

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

7. Accounting for Leases

Rentals in respect of leased premises are charged to profit and loss account.

8. Taxes on Income**a. Current Tax**

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provision of the income Tax Act, 1961.

b. Deferred Tax

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period / s, subject to the consideration of prudence.

9. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the yearend are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and

loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account.

10. Provisions, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and in reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

12. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

Note No. 24: Payments to Statutory Auditor:

	2012-13	2011-12
Statutory	1,00,000	1,00,000
Tax	50,000	50,000
Total	1,50,000	1,50,000

Note No. 25. a. Current Tax:

Provision for the current tax has been provided as per the provisions of the Income Tax Act, 1961.

b. Deferred Tax

The Deferred Tax Asset in adoption of new A.S.22 "Taxation Income" issued by The Institute of Chartered Accountants of India amounting to Rs.445214/- resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

Note No. 26. Segment Reporting:

The company is engaged in Software Development business which as per Accounting Standard 17 is considered the only reportable business segment. As part of secondary reporting, revenues are attributable to geographic areas based on the location of the customers.

Geographical Segments:

	2012-13	2011-12
India	_____	_____
Outside India	1404.41	1534.82
Total Income	1404.41	1534.82

Note No. 27. Related party Disclosures:

1. Related Party disclosures in accordance with AS-18 issued by The Institute of Chartered Accountants of India by virtue of share holding and key management personnel.

a) Relation Ship

- | | | |
|-------------------------------|---|--|
| i. Associate Companies | : | Nil |
| ii 100% Subsidiary Companies | : | CTIL Infrastructure Pvt Ltd
CTIL Media Pvt Ltd |
| iii Other Indian Subsidiaries | : | SPRY Resources India Pvt. Ltd.
ACE BPO Services Pvt. Ltd. |
| iii. Key Management Personnel | : | Executive Director |

b) The following transactions were carried out with related parties in the ordinary course of business.

CTIL Infrastructure Pvt. Ltd.	Stake	2012-13	2011-12
Opening Balance	100%	27075700	28786000
Investment made during the year			-1710300
Balance at the year end		27075700	27075700
Maximum Outstanding during the year		27075700	27075700
CTIL Media Pvt. Ltd.	100%		
Opening Balance		1000000	1000000
Investment made during the year		Nil	Nil
Balance at the year end		1000000	1000000
Maximum Outstanding during the year		1000000	1000000
SPRY Resources India Pvt. Ltd.	55%		
Opening Balance		46500000	46500000
Investment made during the year			
Balance at the year end		46500000	46500000
Maximum Outstanding during the year		46500000	46500000
ACE BPO Services Pvt. Ltd.	60%		
Opening Balance		36000000	36000000
Investment made during the year		NIL	NIL
Balance at the year end		36000000	36000000
Maximum Outstanding during the year		36000000	36000000

ii. Key Management Personnel

Remuneration paid	7.20 lakhs	5.40
lakhs		

Note No 28. Earnings per Share:

	Rs. 2011-2013	Rs. 2011-2012
Net Profit after tax	907905	3867816
Weighted average number of Equity shares outstanding	26215554	22385554
Basic Earnings per Share	0.03	0.17
Diluted Earnings per Share	0.03	0.51
Face value of each Equity Share	10	10

Note No. 29. There are no amounts due to small-scale industrial undertakings, to whom the company owes a sum which is outstanding for more than 30 days and hence the details in respect of outstanding dues to small-scale industrial undertakings are not furnished, as required as per the notification No.GSR 129(E) dated 22nd February 1999.

Note No. 30. **Expenditure in Foreign Currency:** Rs.Lakhs

	Year ended 31st March, 2013	Year ended 31st March, 2012
Traveling Expenses	0.78	5.89

Note No. 31. **CIF Value of Imports:**

	Year ended 31st March, 2013 Rs.	Year ended 31st March, 2012 Rs.
Capital Goods and Software	NIL	Nil

Note No. 32 **Earnings in Foreign Currency:**

	Year ended 31st March, 2013 Rs in lakhs	Year ended 31st March, 2012 Rs in lakhs
Software Development Services	1404.41	1534.82

Note No. 33 Number of employees who were in receipt of remuneration of Rs. 60,00,000 or more if employed through-out the year or Rs. 5,00,000/-per month if employed for a part of the year is NIL.

Note No. 34 Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current years' classification.

As per our Report of even date
for **Balaji Viswanath & Co,**
Chartered Accountants.

sd/-
B.Balaji Viswanath
Proprietor
M.No. 029357

Place : Hyderabad
Date : 30-05-2013

For and on behalf of the board
CTIL Limited

sd/-
PVV Satyanarayana
Chairman

sd/-
K. Ramesh
Executive Director

TO
The Board of Directors
CTIL Limited
Hyderabad.

Report on the Consolidated financial Statements

We have audited the accompanying Consolidated Financial Statements of **CTIL Limited** (“the Company”) and its subsidiaries collectively referred to as “Group” which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act 1956 (“the Act”) This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statements and other financial information of certain subsidiaries, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial statements include net assets of Rs 269.02 lakhs on as at 31 March 2013, revenues of Rs 3226.30 lakhs and net cash inflows amounting to Rs 3226.30 lakhs in respect of the aforementioned subsidiaries for the year then ended.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of associates referred to below in the other matter paragraph as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b. In the case of the Consolidated Statement of profit and Loss, of the profit for year ended on that date; and
- c. In the case of the Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

For **BALAJI VISWANATH & CO**
Chartered Accountants
(Firm Regn .No. 008194S)
B Balaji Viswanath & Co
Proprietor
M.No. 029357
Place: Hyderabad
Date : 30-05-2013

CTIL LIMITED
FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED
6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS
BEGUMPET, HYDERABAD - 500016
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH,2013

(Amount in Rupees)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I EQUITY AND LIABILITIES:			
1 Shareholders funds			
(a) Share Capital	2	262155540	223855540
(b) Reserves and Surplus	3	162670387	278183480
(c) Capital Reserve			5011600
2 Share application money pending allotment		39645000	24870000
3 Non-current liabilities			
(a) Long-term borrowings	4	10862703	21055543
(b) Deferred tax Liability (net)		196395	961426
(c) Other Long term liabilities	5	40903510	38198510
(d) Long-term provisions			
(e) Minority Interest		35231514	203325469
4 Current Liabilities			
(a) Short-term borrowings	7	123523040	109549203
(b) Trade payables		10478285	49719142
(c) Other current liabilities	8	57938759	59813473
(d) Short-term provisions	9	5581122	2911892
TOTAL		749186254	1017455278
II ASSETS:			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	26901176	32302413
(ii) Intangible assets		83476313	94268732
(III) Goodwill		31574484	31574484
(iii) Capital work - in - progress			
(b) Non-current Investments	10	3108046	6154082
(c) Long- Term Loans and advances	6	23015000	23015000
2 Current assets			
(a) Inventories	11	34735350	41280300
(b) Trade Receivables	12	450332164	681333800
(c) Cash and bank balances	13	16642857	14463280
(d) Short -term loans and advances	14	77906486	91641309
(e) Other current assets	15	1494378	1421878
TOTAL		749186254	1017455278

Significant Accounting policies and notes to accounts 1 to 24

As per our Report of even date

For and on behalf of the board

for Balaji Viswanath & Co,

Chartered Accountants.

sd/-

B.Balaji Viswanath

Proprietor

M.No. 029357

Place : Hyderabad

Date : 30-05-2013

sd/-

PVV Satyanarayana

Chairman

sd/-

K. Ramesh

Executive Director

CTIL LIMITED
FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED
6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS , BEGUMPET, HYDERABAD - 500016
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013
(Amount in Rupees)

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
I Revenue from operations	16	322519154	863794054
II Other Income	17	110846	150873
III Total Revenue (I+II)		322630000	863944927
a) (Increase)/Decrease in Inventory	18	6544950	4030200
b) Operating Expenses	19	158595692	502028671
c) Employee benefit Exepense	20	82857013	80719469
d) Finance Costs	21	14488465	21360314
e) Depreciation and amortisation expense	10	4933277	6109771
f) Other Exepenses	22	22574162	62280627
Total Expenses		289993559	676529052
V Profit before tax (III-IV)		32636441	187415875
VI Tax Expense:			
(a) Current tax	23	5244031	2597309
(b) Deferred Tax		-765031	(828551)
		4479000	1768758
VII Profit / (Loss) for the period (V-VI)		28157442	185647117
VIII Prior Period Adjustments		0	201335
IX Minority Interest		123441	85780735
IX Net Profit		28034000	99665047
VIII Earnings per equity share: (Face value of Rs.10/- each)			
(1) Basic		1.07	4.45
(2) Diluted		1.11	4.98

Significant accounting policies and notes to accounts

1 to 24

As per our Report of even date
for Balaji Viswanath & Co,
Chartered Accountants.

For and on behalf of the board

sd/-

B. Balaji Viswanath

Proprietor

M.No. 029357

Place : Hyderabad

Date : 30-05-2013

sd/-

PVV Satyanarayana

Chairman

sd/-

K. Ramesh

Executive Director

CTIL LIMITED
FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED
Notes to accounts

NOTE NO: 2 - SHARE CAPITAL:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Authorised				
Equity Shares of Rs. 10/- each	50000000	500000000	50000000	500000000
Issued, Subscribed and Paid up				
Equity Shares of Rs. 10/- each fully paid up	26215554	262155540	22385554	223855540
(Refer footnote (a) to (c) below)				
Total	26215554	262155540	22385554	223855540

Footnote:
(a) Reconciliation of the number of shares outstanding as at March 31, 2012 and March 31, 2011:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	22385554	223855540	19155000	191550000
Equity Shares Issued during the year	3830000	38300000	3230554	32305540
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	26215554	262155540	22385554	223855540

(b) Details of Shareholders holding more than 5% shares:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Pinnamaneni Jagadeesh Babu	1391000	5.31%	1391000	6.21%

(c) Details of Shareholding by Holding company and its subsidiaries:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	-	-	-	-

CTIL LIMITED										
FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED										
PARTICULARS	Consolidated As at 31-03-2013	Astus	FZC	CTIL Hongkong	CTIL Media	CTIL Infra	ACE	SPRY	As at	As at
									March 31, 2013	March 31, 2012
i) Securities Premium reserve										
Opening Balance	119029580					225162			118804418	63885000
(+) Additions during the year	26164140					-51422	1422168	-101606	24895000	53529119
Closing Balance	145193720					173740	1422168	-101606	143699418	117414119
ii) General Reserve										
Opening Balance	4518761								-	
(+) Share application on warrants forfeited	-								4518761	4518761
Closing Balance	4518761						0	0	4518761	4518761
iii) Surplus	-14887908			6966922					-21854830	56979603
(+) Additions for the year	27845814			26937909					907905	99270997
(-) Appropriations										
Closing Balance	12957906	0	0	33904831		0	0	0	-20946925	156250600
Total (a + b +c)	162670387	0	0	33904831		173740			127271254	278183480

CTIL LIMITED

FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED

Notes to accounts

NOTE NO: 5 - OTHER LONG TERM LIABILITIES:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
UNSECURED LOANS FROM K. RAMESH	3683510	3683510
P. VENKATA RAMANA	175000	175000
P. RATNA PRAMEELA	1500000	1500000
P. NAGANDRA PRASAD	1500000	1500000
P. MOHINI RAJYA LAKSHMI	300000	300000
P. SITARAMAMMA	2100000	2100000
P. ANANTHA LAKSHMI	1500000	1500000
P. GOKUL CHAND	1500000	1500000
P. VENKATESWARA RAO	1500000	1500000
P. SAI LAKSHMI	1800000	1800000
SRI LAKSHMI PALETI	1500000	1500000
NARENDRA BABU PALETI	120000	120000
PRATAP CHIRUMAMILLA	1500000	1500000
ANIL KUMAR POTLA	1500000	1500000
VENKATESWAR RAO MALEMPATI	1500000	1500000
BHANU PRASAD	105000	105000
MURALIDHAR SAI NARAPAREDDY	1500000	1500000
PRASANNA VINNAKOTA	1500000	1500000
K. RADHA KRISHNA	1500000	1500000
M. VENKATESWARA RAO	1500000	1500000
PINNAMANENI HOLDINGS PRIVATE LIMITED	8425000	9625000
DECORUM SOFTWARE PVT. LTD.	-	150000
SRECKO INDHAN LIMITED	190000	190000
GARUDA INFOSYSTEMS PRIVATE LIMITED	495000	
GKML SOFTWARE SERVICES PRIVATE LIMITED	2010000	
SILVERSQUARE GRAPHICS MULTIMEDIA PRIVATE LIMITED	550000	
VARDHAMAN VOICE CALL PRIVATE LIMITED	1000000	
PTR SOFTWARE PRIVATE LIMITED	450000	450000
	40903510	38198510

NOTE NO: 6 - LONG TERM LOANS AND ADVANCES:

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(a) Advance for acquisition of Land	17350000	17350000
(b) Dainik Properties Pvt. Ltd	1000000	1000000
(c) DLF Homes Goa Pvt. Ltd	500000	500000
(d) Greenline Tea and Exports Limited	350000	350000
(e) Ishant Properties Pvt. Ltd	425000	425000
(f) Maitreya Electricals	1000000	1000000
(g) P. Sudheer Babu	450000	450000
(h) Teleflex Infoservices Pvt. Ltd.	500000	500000
(i) Vedic Contructions	400000	400000
(r) Antarctic software pvt. Ltd.	1040000	1040000
	23015000	23015000

NOTE NO: 7 - SHORT TERM BORROWINGS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Working Capital Loans from banks		
i) Uco Bank - Packing Credit	35748590	37630000
ii) UCo Bank - FBP	87774450	56974225
III) Uco Bank- Cash Credit	-	14944978
(Security details refer foot note below)		
	123523040	109549203

Foot Note:
(a) Security details:

(i) secured by mortgages on all the present and future movable assets of the company and secured by EM of office premises located at 6-3-1192/2/1 to 16, Kundan Bagh, Begumpet, Hyderabad belonging to SPRY Resources India Private Limited and guaranteed by Spry Resources India Private Limited and the directors in their personal capacities

NOTE NO: 7 - SHORT TERM BORROWINGS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(a) Share Application Money	358800	2608800
(b) Share Warrant Application Money	21568524	12364883
(c) Interest accrued but not due	-	1852
(d) Statutory dues payable	1162720	3617215
(e) Expenses Payable	32960849	35669096
(e) Directors advances	78984	3692358
(g) Vehicle Loan instalments due in the next 12 Months	1460382	1559269
(h) Others	348500	300000
	57938759	59813473

CTIL LIMITED
Notes to accounts

NOTE NO: 9 - SHORT-TERM PROVISIONS:

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(a) Provision for Income tax	5469324	2595952
(b) Provision for Expenses	111798	315940
	5581122	2911892

NOTE NO: 10 - NON-CURRENT INVESTMENTS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Long term investments in Equities		
Quoted Investments	3108046	6146986
Bank Deposits with maturity beyond one year	-	7096
	3108046	6154082

NOTE NO: 11 - INVENTORIES:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
a) Work in process in respect of partly executed projects	34735350	41280300
	34735350	41280300

NOTE NO: 12 - TRADE RECEIVABLES:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(Unsecured and considered good)		
(a) Debts outstanding for more than six months	278166711	216037979
(b) Other debts	172165453	465295821
	450332164	681333800

NOTE NO: 13 - CASH AND CASH EQUIVALENTS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(a) Cash and cash equivalents:		
(i) Balances with banks;		
(1) In Deposit Accounts	6,811	-
(2) In Current Accounts	15571566	12638049
(ii) Cash on hand	900173	1660923
(b) Other bank balances:		
In Deposit Accounts	164308	164,308.00
	16642858	14463280

CTIL LIMITED
Notes to accounts

NOTE NO: 14 - SHORT TERM LOANS AND ADVANCES:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(Unsecured and considered good)		
(a) Advances towards Materials and expenses	840024	27278765
(b) Deposits	753850	8975250
(c) Mat Credit Receivable	-	20623
(d) Other advances & Receivables	60356874	55211391
(e) Service Tax Abatement	199689	155280
(e) Loans to related parties	15756049	
	77906486	91641309

NOTE NO: 15 - OTHER CURRENT ASSETS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(a) Advance Tax and TDS	1439267	1421878
(B) Prepaid Expenses	55111	
	1494378	1421878

NOTE NO: 16 - REVENUE FROM OPERATIONS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Income from Software Development	290345928	835960818
BPO Income	31956945	25039919
Contract Receipts	-	51210
Websitre Development charges	-	883430
Other Operating Income: Exchange rate differences	216281	1858677
	322519154	863794054

NOTE NO: 17 - OTHER INCOME:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Interest Income	1546	150873
Misc. Income	109300	
	110846	150873

CTIL LIMITED
Notes to accounts

NOTE NO: 18 - CHANGES IN INVENTORIES:

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Closing Stock	34735350	41280300
Less: Opening Stock	41280300	45310500
	-6544950	-4030200

NOTE NO: 19 - OPERATING EXPENSES:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Software Development Charges	149011513	496401444
Computer Consumables	584422	686213
Exchange Rate differences	565752	
Consultancy charges	4907737	4,379,879.00
Medical Transcription Charges	2620000	0
Internet	442680	72000
Computers, electrical and other hardware	463588	489135
Maintenance		
Labour	-	
	158595692	502028671

NOTE NO.20 - EMPLOYEE BENEFIT EXPENSE:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Salaries,wages and bonus	80744479	73497745
Employer's Contribution to PF and ESI	161045	162432
Profession Tax paid	57820	
Staff Welfare	1173669	961209
Directors Remuneration	720000	6059638
Incentives		38,445.00
	82857013	80719469

NOTE NO: 21 - FINANCE COSTS:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
(a) Interest Expenses		
- on working capital loans	12101309	17031387
- on Term Loan	1770608	2339021
-on Vehicle Loans	397159	449414
-on TDS & Income Tax	2365	214,188.00
- others	51535	34,743.00
(b) Other borrowing costs		
- Bank Charges	104439	1291561
-Processing Charges	61050	
-Gurantee Commission	-	
	14488465	21360314

CTIL LIMITED
Notes to accounts

NOTE NO: 22 - OTHER EXPENSES:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	Year Ended March 31, 2012
Advertisement & publicity	46721	60705
Audit Expenses	-	39000
Audit fee & certification charges	253484	205000
Board Meeting Expenses	215415	188160
Books and Periodicals	-	1800
Business Promotion/Marketing Expenses	105496	658010
Certification Expenses	25000	5,000.00
Directors Sitting Fee	185000	150,000.00
Electricity	767255	620184
General Meeting Expenses	84985	79286
General Expenses	-	40468
Insurance	677435	1997353
Internet	48000	407988
Miscellaneous Expenses Written off	10834384	7415654
Office Maintenance	5366839	35953476
Petrol and diesel	111980	763050
Postage & Courier Service charges	185325	724170
Printing & Stationery	237493	1409322
Licenses, Rates & Taxes	1076036	2335548
Repairs and Maintenance	-	50819
Rent	440400	440400
Security Charges	130500	174000
Telephone Charges	166609	1583817
Travelling & conveyance	667047	6707822
Vehicle Maintenance	751699	0
VOIP Call Charges	197059	269596
	22574162	62280627

NOTE NO: 23- CURRENT TAX:

Rupees

PARTICULARS	Consolidated As at 31-03-2013	As At March 31, 2012
Current tax	5244031	2597309
Less: MAT credit entitlement		
Net Current tax	5244031	2597309

SPRY RESOURCES INDIA PVT LTD
DIRECTORS REPORT:

To
The Members of the Company

Your Directors have pleasure in presenting the 15th Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

Financial Results for the year ended 31.03.2013 are summarized below: (Rs.in lakhs)

PARTICULARS	2012-13	2011-12
Gross Income from Operations	345.29	370.59
Gross Profit / Loss before Depreciation	48.96	98.45
Less: Finance Charges	37.23	77.45
Less: Depreciation	18.02	18.05
Operating Profit	-6.30	2.95
Add: Other Income	0.00	0.15
Profit / (Loss)	-6.30	3.10
Provision for Taxes	-1.94	-1.34
Profit/Loss after Tax	-4.35	4.44
Prior Period Expense	0.00	2.01
Profit/Loss after Prior Period Expenses	-4.35	2.43
Balance brought forward from previous Balance Sheet	14.71	12.28
Balance transferred to Balance Sheet	10.36	14.71

FINANCIAL PERFORMANCE:

During the year under review your company has achieved a turnover of Rs.345.29 lakhs, Gross Profit of Rs.48.96 lakhs and incurred a loss of Rs.-4.35 Lakhs.

CHANGES IN THE BOARD OF DIRECTORS:

Mr. N V Simhadri, who was appointed as Additional Director, w.e.f. 12.10.2012 will hold the office upto the date of the ensuing Annual General Meeting. Being eligible, he is seeking appointment as a Director at the ensuing Annual General Meeting. Your Directors recommend approval of his proposed appointment as Director.

FUTURE OUTLOOK:

Your Company is mainly focusing on e-governance solutions for the State and Central Governments. Company is fully geared up to meet the challenges and take up e-governance project of any size and amplitude.

DEPOSITS;

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

DIRECTORS' REMUNERATION

Managerial Remuneration:	2012-13	2011-12
Managing Director	NIL	720000
Whole Time Director	NIL	250000

AUDITORS:

"At the EGM held on 26.7.2013, M/S. Balaji Vishwanath & Co, Chartered Accountant, Hyderabad were appointed as auditors of the company to fill the vacancy caused by the resignation of M/S.

Boppudi & Associates, chartered accountants, with effect from 26.07.2013. Accordingly, M/S Balaji Viswanath & Co, Auditors will hold office up to the date of conclusion of the ensuing AGM. 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. Your Directors recommend favorable consideration of the proposed appointment.

PARTICULARS OF EMPLOYEES:

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

DIRCTOR'S RESPONSIBILITY STATEMENT:

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

- i) that in preparation of Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) 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 date.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record 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.
- iv) That the Directors have prepare the annual accounts for the year ended 31st March, 2012 on a going concern basis.

CONSERVATIONOF ENERGY ETC:

Additional information o conservation of energy, technology absorption, foreign exchange earning and outgo as required to e 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.

Foreign Exchange earning and outgo:

Rs. In Lakhs

Particulars	2012-13	2011-12
Foreign Exchange Earnings	345.29	370.59
Foreign Exchange Outgo	NIL	NIL

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place a record their appreciation and gratitude for the co-operation 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 appreciation of the sincere and dedicated services provided by all the employees of the organization.

For SPRY RESOURCES INDIA PVT LTD

Place: Hyderabad
Date:31.03.2013

Sd/-
Director

Sd/-
Managing Director

AUDITOR'S REPORT

To
The Members of

SPRY RESOURCES INDIA PRIVATE LIMITED**Report on the financial Statements**

We have audited the accompanying financial statements of **SPRY RESOURCES INDIA PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act 1956 ("the Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of profit and Loss, of the profit for year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.

- 2 As required by section 227 (3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of profit and Loss comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board Directors, none of the director is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BALAJI VISWANATH & CO
Chartered Accountants
(Firm Regn .No. 008194S)

B Balaji Viswanath & Co
Proprietor
M.No. 029357

Place: Hyderabad
Date : 31/07/2013

ANNEXURE TO AUDITOR'S REPORT**SPRY RESOURCES INDIA PRIVATE LIMITED**

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1.
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the company, is not affected.
2. The Company is a service company, primarily rendering IT services. Accordingly, it doesn't hold any physical inventories. Thus paragraph 4(ii) of the order is not applicable.
3.
 - a. The company has not granted interest free unsecured loan to bodies corporate listed in the Register maintained under section 301 of the Companies Act, 1956.
 - b. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - c. In respect of loans granted by the Company, repayments of principal amount are regular.
 - d. There are no overdue amounts as at the year end.
 - e. The company has taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.193.24 Lakhs and yearend balance of loans taken is Rs.321.37 lakhs.
 - f. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - g. In respect of loan taken by the Company, the repayments of principal amount are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control systems.
5.
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us the company has not accepted deposits from Public. Hence, compliance with the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public is not applicable. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal of the company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Central Government has not prescribed Maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company.

9. In respect of statutory dues:

- a. According to the records of the Company, the undisputed statutory due including provident Fund, Employees State Insurance, Income tax, excise duty, sales tax and Cess have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2013 for a period of more than six months from the date they become payable.
10. The company has no accumulated losses and it has not incurred any cash losses in the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions & banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has given guarantees for loans taken by its subsidiary company and associate company from bank / financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
16. In our opinion according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
17. In our opinion and according to the information and explanation given to us and on overall examination of balance sheet of the company, we are of the opinion that there are no funds raised for short term basis that have been used for long term investment.
18. `During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301of the Companies Act, 1956.
19. The Company has not raised any money by way of issue of Debentures during the year; hence paragraph (xix) of the order is not applicable to the company.
20. According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence this clause is not applicable to the company.
21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For BALAJI VISWANATH & CO

Chartered Accountants
(Firm Regn .No. 008194S)

B Balaji Viswanath & Co
Proprietor
M.No. 029357

Place: Hyderabad
Date : 31/07/2013

SPRY RESOURCES INDIA PRIVATE LIMITED

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS BEGUMPET, HYDERABAD - 500016

BALANCE SHEET AS AT 31st MARCH,2013

(Amount in Rupees)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I EQUITY AND LIABILITIES:			
1 Shareholders funds			
(a) Share Capital	2	30,000,000	30,000,000
(b) Reserves and Surplus	3	33,788,168	34,223,744
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	9,965,124	19,419,120
(b) Deferred tax Liability (net)			
(c) Other Long term liabilities	5	44,807,069	22,779,073
(d) Long-term provisions	6	-	-
4 Current Liabilities			
(a) Short-term borrowings	7	24,988,840	24,533,625
(b) Trade payables		-	-
(c) Other current liabilities	8	7,532,782	8,554,978
(d) Short-term provisions	9	128,419	120,837
TOTAL		151,210,402	139,631,377
II ASSETS:			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	20,732,784	22,535,597
(ii) Intangible assets		16,925,600	19,041,300
(iii) Capital work - in - progress		-	-
(b) Non-current Investments	10	2,033,068	5,072,008
(c) Deferred tax assets (net)		1,068,230	773,121
(d) Long- Term Loans and advances		-	-
2 Current assets			
(a) Inventories	11	-	2,814,950
(b) Trade Receivables	12	74,970,854	42,160,762
(c) Cash and bank balances	13	295,095	895,373
(d) Short -term loans and advances	14	34,265,589	45,435,728
(e) Other current assets	15	919,182	902,538
TOTAL		151,210,402	139,631,377

Significant accounting policies and notes to accounts 1 to 33

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For Balaji Viswanath & Co.,

Chartered Accountants

B. Balaji Viswanath

Proprietor

Director

Director

M. No. 029357

Firm Regn No. 0502S

Place: Hyderabad

Date :31-07-2013

SPRY RESOURCES INDIA PRIVATE LIMITED

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS BEGUMPET, HYDERABAD - 500016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
I Revenue from operations	16	34,529,789	37,059,070
II Other Income	17	-	15,428
III Total Revenue (I+II)		34,529,789	37,074,498
IV Expenses:			
a) (Increase)/Decrease in Inventory	18	2,814,950	1,095,150
b) Operating Expenses	19	9,046,500	12,054,635
c) Employee benefit Exepense	20	13,508,584	10,127,574
d) Finance Costs	21	3,723,304	7,745,415
e) Depreciation and amortisation expense	10	1,802,813	1,805,019
f) Other Exepenses	22	4,263,994	3,936,554
Total Expenses		35,160,145	36,764,347
V Profit before tax (III-IV)		(630,356)	310,151
VI Tax Expense:			
(a) Current tax	23	100,329	95,837
(b) Deferred Tax		(295,109)	(230,175)
		(194,780)	(134,338)
VII Profit / (Loss) for the period (V-VI)		(435,576)	444,489
VIII Prior period Adjustments			
Vat for the years 2006-07 and 2007-08		-	201,335
IX Net Profit		(435,576)	243,154

Significant accounting policies and notes to accounts 1 to 33

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For Balaji Viswanath & Co.,

Chartered Accountants

B.Balaji Viswanath

Proprietor

M. No. 029357

Firm Regn No. 0502S

Director

Director

Place: Hyderabad

Date :31-07-2013

SPRY RESOURCES INDIA PRIVATE LIMITED
Notes to accounts
NOTE NO: 2 - SHARE CAPITAL:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Authorised Equity Shares of Rs. 10/- each	3,000,000	30,000,000	3,000,000	30,000,000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer footnote (a) to (c) below)	3,000,000	30,000,000	3,000,000	30,000,000
Total	3,000,000	30,000,000	3,000,000	30,000,000

Footnote: (a) Reconciliation of the number of shares outstanding as at March 31, 2013 and March 31, 2012:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000
Equity Shares Issued during the year			-	-
Equity Shares bought back during the year		-	-	-
Equity Shares outstanding at the end of the year	3,000,000	30,000,000	3,000,000	30,000,000

(b) Details of Shareholders holding more than 5% shares:

Particulars	As At March 31, 2012		As At March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Comp-u-learntech India Limited	1,650,000	55.00%	1,650,000	55.00%
2 P. Gurukrishna	150,000	5.00%	150,000	5.00%

(c) Details of Shareholding by Holding company and its subsidiaries:

Particulars	As At March 31, 2012		As At March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Comp-u-learntech India Limited	1,650,000	55.00%	1,650,000	55.00%

SPRY RESOURCES INDIA PRIVATE LIMITED
Notes to accounts
NOTE NO: 3 - RESERVES AND SURPLUS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
i) Securities Premium reserve		
Opening Balance	32,752,000	32,752,000
(+) Additions during the year	-	-
Closing Balance	32,752,000	32,752,000
ii) Surplus		
(+) Additions for the year	1,471,744	1,228,590
(-) Appropriations	(435,576)	243,154
Closing Balance	1,036,168	1,471,744
Total (a + b+c)	33,788,168	34,223,744

NOTE : 4 - LONG TERM BORROWINGS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Secured Loans		
Term Loans		
From Banks		
- UCO Bank	9,582,223	11,868,488
From Financial Institutions		
- Kotak Mahindra Prime Limited	109,040	506,844
- HDFC Bank	273,861	1,043,788
- Shri Ram City Union Finance Limited	-	6,000,000
Hypothecation Loans		
From Banks		
(Refer foot note (a) to (c) below)		
	9,965,124	19,419,120

Foot Note
(a) security Details

Hypothecation loans are secured by hypothecation of such assets.

(b) Repayment conditions :

Term loans are repayable in equated monthly instalments.

SPRY RESOURCES INDIA PRIVATE LIMITED
Notes to accounts
NOTE NO: 5 - OTHER LONG TERM LIABILITIES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Aantartic Software Private Limited	-	-
CTIL Infrastructure Private Limited	-	-
Comp-u-learntech India Limited	32,137,069	12,814,073
Pinnamaneni Holdings Pvt. Ltd	8,425,000	9,625,000
Decorum Software Pvt. Ltd.	-	150,000
Srecko Indhan Limited	190,000	190,000
Garuda Info Systems Pvt Ltd	495,000	-
GKML Software Services Pvt Ltd	2,010,000	-
Silversquare Graphics Multimedia Pvt Ltd	550,000	-
Vardhaman Voice Call Pvt Ltd	1,000,000	-
	44,807,069	22,779,073

NOTE NO: 6 - SHORT TERM BORROWINGS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Working Capital Loans from banks		
i) Uco Bank - Cash Credit	-	14,944,978
ii) UCo Bank - FBP	24,988,840	9,588,647
(Security details refer foot note below)		
	24,988,840	24,533,625

Foot Note:
(a) Security details:

(i) secured by mortgages on all the present and future movable assets of the company and secured by EM of office premises located at 6-3-1192/2/1 to 16, Kundan Bagh, Begumpet, Hyderabad belonging to SPRY Resources India Private Limited and guaranteed by Spry Resources India Private Limited and the directors in their personal capacities

NOTE NO: 7 - OTHER CURRENT LIABILITIES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Share Application Money	358,800	2,608,800
(b) TDS Payable	136,141	376,199
(c) Statutory dues payable	26,610	27,565
(d) Expenses Payable	5,779,407	4,530,655
(e) Vehicle Loan instalments due in the next 12 Months	1,231,824	1,011,759
	7,532,782	8,554,978

NOTE NO: 8 - SHORT-TERM PROVISIONS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Provision for Income tax	100,329	95,837
(b) Provision for Expenses	28,090	25,000
	128,419	120,837

NOTE NO: 10 - NON-CURRENT INVESTMENTS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Long term investments in Equities Quoted -Listed Companies	2,033,068	5,072,008
	2,033,068	5,072,008

NOTE NO: 11 - INVENTORIES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
a) Work in process in respect of partly executed projects	0	2,814,950
	0	2,814,950

NOTE NO: 12 - TRADE RECEIVABLES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(Unsecured and considered good)		
(a) Debts outstanding for more than six months	52,140,916	21,986,501
(b) Other debts	22,829,938	20,174,261
	74,970,854	42,160,762

NOTE NO: 13 - CASH AND CASH EQUIVALENTS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Cash and cash equivalents:		
(i) Balances with banks:		
(1) In Deposit Accounts	-	-
(2) In Current Accounts	82,767	129,234
(3) Cheques on Hand	-	-
(ii) Cash on hand	48,020	601,831
(b) Other bank balances:		
In Deposit Accounts	164,308	164,308
	295,095	895,373

NOTE NO: 14 - SHORT TERM LOANS AND ADVANCES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(Unsecured and considered good)		
(a) Staff Advances	-	-
(b) Advances towards Materials and expenses	840,024	27,154,197
(c) Deposits	675,716	675,716
(d) Other advances & Receivables	32,550,160	17,450,535
(e) Service Tax Abatement	199,689	155,280
	34,265,589	45,435,728

SPRY RESOURCES INDIA PRIVATE LIMITED

Notes to accounts

NOTE NO: 15 - OTHER CURRENT ASSETS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Interest accrued but not received	-	-
(b) Prepaid Expenses	-	-
(c) Advance Tax and TDS	919,182	902,538
	919,182	902,538

NOTE NO: 16 - REVENUE FROM OPERATIONS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Income from Software Development	34,529,789	35,940,881
Miscellaneous Income-FIRC Rate differences	-	1,118,189
	34,529,789	37,059,070

NOTE NO: 17 - OTHER INCOME:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Interest Income	0	15,428
	0	15,428

NOTE NO: 18 - CHANGES IN INVENTORIES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Closing Stock	-	2,814,950
Less: Opening Stock	2,814,950	3,910,100
	(2,814,950)	(1,095,150)

NOTE NO: 19 - OPERATING EXPENSES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Software Development Charges	8,942,100	11,231,530
Internet	72,000	72,000
Consultancy charges	-	718,705
Rate differences in FIRC	-	-
Computers, electrical and other hardware Maintenance	32,400	32,400
	9,046,500	12,054,635

SPRY RESOURCES INDIA PRIVATE LIMITED

Notes to accounts

NOTE NO.20 - EMPLOYEE BENEFIT EXPENSE:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Salaries,wages and bonus	13,253,398	8,894,014
Employer's Contribution to PF and ESI	161,045	162,432
Staff Welfare	94,141	101,128
Directors Remuneration	-	970,000
	13,508,584	10,127,574

NOTE NO: 21 - FINANCE COSTS:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Interest Expenses		
- on working capital loans	1,646,868	4,654,926
-on Term Loan	1,770,608	2,339,021
- HP Charges	236,149	361,325
-on TDS and Income Tax	-	39,184
(b) Other borrowing costs		
- Bank Charges	8,629	350,959
- Processessing Charges	61,050	-
- Guarantee Commission	-	-
	3,723,304	7,745,415

NOTE NO: 22 - OTHER EXPENSES:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Audit Expenses	-	4,000
Audit fee & certification charges	28,090	25,000
Electricity	402,398	329,984
Insurance	249,962	339,575
Loss on Sale of Fixed Assets	-	-
Miscellaneous Expenses Written off	2,115,700	2,115,700
Office Maintenance	104,604	174,396
Postage & Courier Service charges	10,775	52,930
Printing & Stationery	27,749	34,371
Licenses,Rates & Taxes	584,739	130,958
Rent	284,400	284,400
Security Charges	60,900	104,400
Telephone Charges	13,842	18,208
Travelling & conveyance	368,850	220,692
VOIP Call Charges	11,985	101,940
	4,263,994	3,936,554

NOTE NO: 23- CURRENT TAX:

Particulars	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
Current tax	100,329	95,837
Less: MAT credit entitlement	-	-
Net Current tax	100,329	95,837

DEPRECIATION AS PER COMPANIES ACT RULES

NOTE NO: 9 : FIXED ASSETS:

PARTICULARS		GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
		AS AT 01.04.2012	Additions During the Year	Deletions	As at 31.03.2013	For the Year	Deletions	UPTO 31.03.2013	As at 31.03.2013	As at 31.03.2012
1	Air Conditions	1,231,025	-	-	1,231,025	58,474	-	674,674	556,351	614,825
2	Computers	7,405,966	-	-	7,405,966	47,503	-	7,080,056	325,910	373,413
3	DG Set	600,000	-	-	600,000	28,500	-	320,625	279,375	307,875
4	Electrical Installation	728,223	-	-	728,223	34,591	-	421,810	306,413	341,004
5	Furniture & Fittings	2,605,951	-	-	2,605,951	164,957	-	2,047,505	558,446	723,403
6	Office Equipment	955,165	-	-	955,165	45,371	-	525,378	429,787	475,158
7	Office Interior	7,564,892	-	-	7,564,892	478,858	-	3,736,429	3,828,463	4,307,321
8	Office Premises	11,405,100	-	-	11,405,100	185,903	-	2,177,713	9,227,387	9,413,290
9	UPS	520,205	-	-	520,205	24,710	-	293,765	226,440	251,150
10	Vehicles - Four Wheelers	7,865,354	-	-	7,865,354	733,672	-	2,871,142	4,994,212	5,727,884
11	Vehicles - Two Wheelers	26,110	-	-	26,110	274	-	26,110	-	274
	TOTAL	40,907,991	-	-	40,907,991	1,802,813	-	20,175,207	20,732,784	22,535,597
	PREVIOUS YEAR	40,907,991	-	-	16,567,375	1,805,019	-	18,372,394	22,535,597	24,340,616

(Rupees)

SPRY RESOURCES INDIA PRIVATE LIMITED

NOTES FORMING PART OF THE ACCOUNTS AS ON 31.03.2013

Note No. 1 :Significant Accounting Policies:**Note 1. Basis of preparation**

The financial statements have been prepared to comply with the Accounting Standards Notified by Companies (Accounting Standards) Rules,2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are Consistent with those used in the previous year.

2. Revenue Recognition

Revenue is primarily derived from software development and related services and from the licensing of software products. Arrangements with clients for software development and related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities / creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets up to the time they are completed.

4. Depreciation

Depreciation on fixed assets has been provided on the straight line method and at the rates and in manner specified in Schedule xiv to the Companies Act, 1956.

5. Investments

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature. Current investments are valued at the cost or market value whichever is lower.

6. Borrowing

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

7. Accounting for Leases

Rentals in respect of leased premises are charged to profit and loss account.

8. Taxes on Income**a. Current Tax**

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provision of the income Tax Act.1961.

b. Deferred Tax

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period / s, subject to the consideration of prudence.

9. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the yearend are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account.

10. Provisions, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and in reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

12. Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.

Note No. 24: **Payments to Statutory Auditor:**

	2012-13	2011-12
Audit fee		
Statutory	20,000	20,000
Expenses	5,000	5,000
Total	25,000	25,000

Note No. 25. Segment Reporting:

The company is engaged in Software Development business which as per Accounting Standard 17 is considered the only reportable business segment. As part of secondary reporting, revenues are attributable to geographic areas based on the location of the customers.

Geographical Segments:	2012-13	2011-12
India	NIL	NIL
Outside India	345.30	370.59
Total Income	345.30	370.59

Note No. 26. Related party Disclosures:

1. Related Party disclosures in accordance with AS-18 issued by The Institute of Chartered Accountants of India by virtue of share holding and key management personnel.

a) Relation Ship

I Indian Holding Company	:	CTIL Limited
ii. Key Management Personnel	:	Nil

b) The following transactions were carried out with related parties in the ordinary course of business.

CTIL Limited Stake

	2012-13	2011-12
Opening Balance	46500000	46500000
Investment made during the year	NIL	NIL
Balance at the year end	46500000	46500000
Maximum Outstanding during the year	46500000	46500000

ii. Key Management Personnel

Remuneration paid	Nil	9.70 lakhs
-------------------	-----	------------

Note No. 27. There are no amounts due to small-scale industrial undertakings, to whom the company owes a sum which is outstanding for more than 30 days and hence the details in respect of outstanding dues to small-scale industrial undertakings are not furnished, as required as per the notification No.GSR 129(E) dated 22nd February 1999.

Note No. 28. **Expenditure in Foreign Currency:**

	Year ended 31st March, 2013 Rs.Lakhs	Year ended 31st March, 2012 Rs. Lakhs
Traveling Expenses	NIL	

Note No. 29. CIF Value of Imports:

	Year ended 31st March, 2013 Rs.	Year ended 31st March, 2012 Rs.
Capital Goods and Software	NIL	Nil

Note No. 30 **Earnings in Foreign Currency:**

	Year ended 31st March, 2013 Rs in lakhs	Year ended 31st March, 2012 Rs in lakhs
Software Development Services	345.30	370.59

Note No. 31 Number of employees who were in receipt of remuneration of Rs. 60,00,000 or more if employed through-out the year or Rs. 5,00,000/-per month if employed for a part of the year is NIL.

Note No. 32 Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current years' classification.

As per report of even date attached

For BALAJI VISWANATH & CO.,
CHARTERED ACCOUNTANTS
(Firm Reg No: 008194S)
B.Balaji Viswanath
Proprietor.
Membership No:029357
Place: Hyderabad
Date: 31st July, 2013

For SPRY Resources India Pvt Ltd

Sd/-
Director

Sd/-
Mg. Director

ACE BPO SERVICES PVT LTD**DIRECTORS REPORT**

To

The Members of the Company

Your Directors highly delighted to present 8th Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

Financial Results for the year ended 31.03.2013 are summarized below:

(Rs.in lakhs)

PARTICULARS	2012-13	2011-12
Income from Operations	321.73	251.52
Expenditure	301.52	234.59
PBDIT	20.21	16.93
Interest	1.93	1.24
Depreciation	10.08	7.85
Other Income	1.11	0.31
Profit Before Tax (PBT)	9.31	8.14
Provision for Tax	1.56	1.69
Deferred Taxes	-0.24	-0.12
Profit after Tax	7.99	6.57
Balance from previous year	38.06	31.49
Balance Carried to Balance Sheet	46.05	38.06

FINANCIAL PERFORMANCE:

During the year under review your company posted turnover of Rs. 321.73 lakhs, Gross Profit of Rs.20.21 lakhs and net Profit of Rs 7.99 lakhs . Company has been constantly endeavoring to become a sizable player in BPO Space in all segments.

FUTURE OUTLOOK:

As you are aware that the Company has been focusing on revenue cycle management related activities for Health Care Industry through Technology driven transformation. Our Company is established brand in US market for dependable services. Our competitive edge is our end to end solutions in revenue cycle management, timely & quality deliveries, cost effective services to clients, scalable infrastructure, deliverable abilities through a mix of on sight resources at clients location and offshore resources from company's facility in India etc,. Our segments are Health Care, Call Centre and Management Services.

Combining leading edge IT capabilities with key EMR strengths and strengths of strategic partners in USA, huge technology spends of US Government, we are confident company may have promising future with stable growth in the years to come.

DEPOSITS;

During the year, Company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act 1956 read with Deposit Rules issued Central Government thereon,

AUDITORS:

M/s Momchuri & Associates, 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.

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the

Companies (Particulars of Employees) Rules, 1975, the particulars of Employees of the Company are – NIL.

DIRCTOR'S RESPONSIBILITY STATEMENT:

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

- i) that in preparation of Annual Accounts for the year ended 31st March,2012, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) 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 or loss of the Company for year ended on that date.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting record 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.
- iv) that the Directors have prepare the annual accounts for the year ended 31st March, 2012 on a going concern basis.

CONSERVATIONOF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Additional information on conservation of energy, technology absorption, foreign exchange earning and outgo as required to e 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:

The operations of your company are not energy intensive. However wherever possible to reduce the energy consumption adequate measures have been taken to reduce the consumption by using efficient equipment.

TECHNOLOGY ABSORPTION:

The Company believes that Technological obsolescence is a reality. Continuous drive for research and development and quest for adoption of newer technologies will enable the company to face future challenges and opportunities. We at ACE BPO encourage continuous innovation and thus absorb Technological upheavals.

Foreign Exchange earning and outgo:

(Rs. In Lakhs)

Particulars	2012-13	2011-12
Foreign Exchange Earnings	321.73	251.52
Foreign Exchange Outgo	NIL	NIL

ACKNOWLEDGEMENTS:

We thank our Customers, Investors, Bankers and various Statutory Authorities for their continued support during the year. Your Directors also wish to place on record their appreciation of the sincere and dedicated services provided by all the employees of the organization. Our consistent growth was made possible by their hard work, solidarity, cooperation and support and we look forward to have the same relationship in the years to come.

For and on behalf of the Board
ACE BPO Services Pvt Ltd

Place: Hyderabad
Date: 03.09.2013

Sd/-

Sd/-

Director

Director

AUDITOR'S REPORT

To

The Members of

ACE BPO SERVICES PVT LTD

We have audited the attached Balance Sheet of ACE BPO SERVICES PRIVATE LIMITED as at 31.03.2013 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial basis for our opinion.

As required by the Companies' (Auditor's report) Order, 2003, issued by the Central Government of India, in terms of Section 227(4A) of Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Future to our comments in the annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss account dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-Section 3(C) of Section 211 of Companies Act 1956.
- e) On the basis of the written representation received from the directors and taken on records by the Board, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India,
- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2013 and
- ii) In the case of profit and Loss Account, of the profit of the Company for the year ended on that date.

For MOMCHURI AND ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

M.VENKATA CHALAPATHI REDDY

(PARTNER)

M. NO. : 214237

FRN : 010730S

Place: Hyderabad

Date: 03-09-2013

ANNEXURE TO AUDITOR'S REPORT**ACE BPO SERVICES PVT LTD****Referred to in paragraph 3 of our report of even date,**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed asset.
(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such physical verification.
2. (a) The inventories have been physically verified by the management during the year at reasonable intervals.
(b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. (a) The Company has not taken loan from any party covered in the register maintained U/s 301 of the Companies Act, 1956. The Company has not granted loan to one party covered in the register maintained under Section 301 of the Companies Act., 1956.
(b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from / granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
(c) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
(d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits as defined under section 58 A of the Companies Act, 1956.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act., 1956 for the company.
9. (a) According to the books and records of the company, the company is regular in deposition undisputed statutory dues including Provident Fund, Employees, State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other stator dues with appropriate authorities

whenever applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such, statutory dues which have remained outstanding as at 31st March, 2012 for a period exceeding six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax and other statutory dues, which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred cash losses in the current Financial year and there was no accumulated losses in the balance sheet in the immediately preceding financial year.
 11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks and financial institutions.
 12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
 13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
 14. In our opinion, proper records have been maintained by the Company of the transactions and contracts of dealing or trading in shares, securities, debentures or other investments and timely entries have been made therein and shares, securities, debentures or other investments have been held in the name of the Company.
 15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from banks, and financial institutions.
 16. The company has got secured loan from Banks / Institutions, as appearing in Balance sheet.
 17. Company has not deployed /used during the year short term funds for long term investments and long term funds for short term investments.
 18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
 19. No debentures have been issued by the company and hence, the question of creation securities in respect thereof does arise.
 20. The company has not raised any money by way of public issues during the year.
 21. On the basis of our examination and according to the information and explanations given to us , no fraud, on or by the company, has been noticed or reported during the year.

For MOMCHURI AND ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

M.VENKATA CHALAPATHI REDDY

(PARTNER)

M. NO. : 214237

FRN : 010730S

PALCE: HYDERABAD

DATE: 03.09.2013

ACE BPO SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31/03/2013

In Rs.

Balance Sheet as at	Note	31/03/2013	31/03/2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1.1	15085114.00	15085114.00
Reserves and surplus	1.2	8413014.00	7805454.00
Money received against share warrants	1.3	-	-
		23498128.00	22890568.00
Share application money pending allotment	1.4	-	-
Non-current liabilities			
Long-term borrowings	1.5	827331.00	1445845.00
Deferred tax liabilities (Net)	1.6	-	-
Other Long term liabilities	1.7	-	-
Long-term provisions	1.8	-	-
		827331.00	1445845.00
Current liabilities			
Short-term borrowings	1.9	228558.00	449813.00
Trade payables	2.0	19414.00	960.00
Other current liabilities	2.1	49825.00	35535.00
Short-term provisions	2.2	208432.00	600290.00
		506229.00	1086598.00
TOTAL		25022984.00	25423011.00
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.3	2817633.00	4187595.00
Intangible assets	2.4	-	-
Capital work-in-progress	2.5	-	-
Intangible assets under development	2.6	-	-
		2817633.00	4187595.00
Non-current investments	2.7	1074978.00	1074978.00
Deferred tax assets (net)	2.8	56434.00	32666.00
Long-term loans and advances	2.9	-	-
Other non-current assets	3.0	-	7096.00
		3949045.00	5302335.00
Current assets			
Current investments	3.1	-	-
Inventories	3.2	-	-
Trade receivables	3.3	9143906.00	6611988.00
Cash and cash equivalents	3.4	149100.00	1235199.00
Short-term loans and advances	3.5	11643102.00	11317553.00
Other current assets	3.6	137831.00	955936.00
		21073939.00	20120676.00
TOTAL		25022984.00	25423011.00

In terms of our attached report of even date
 For MOMCHURI AND ASSOCIATES
 LIMITED
 FRN : 010730S
 M.VENKATA CHALAPATHI REDDY
 (PARTNER)

(DIRECTOR)

For ACE BPO SERVICES PRIVATE
 CHARTERED ACCOUNTANTS

(DIRECTOR)

ACE BPO SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2013

In Rs.

Statement of Profit and Loss for the	Note	31/03/2013	31/03/2012
Revenue from operations	3.7	32173226.00	25152563.00
Other income	3.8	110846.00	31446.00
Total Revenue		32284072.00	25184009.00
Expenses			
Cost of materials consumed	3.9	0.00	0.00
Purchases of Stock-in-Trade	4.0	0.00	0.00
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	4.1	0.00	0.00
Employee benefits expense	4.2	19851871.00	17114886.00
Finance costs	4.3	192700.00	124427.00
Depreciation and amortization expense	4.4	1007533.00	785201.00
Other expenses	4.5	10500848.00	6345040.00
Total expenses		31552952.00	24369554.00
Profit before exceptional, extraordinary and prior period items and tax		931120.00	814455.00
Exceptional items	4.6	0.00	0.00
Profit before extraordinary and prior period items and tax		731120.00	814455.00
Extraordinary Items	4.7	0.00	0.00
Profit before prior period items and tax		731120.00	814455.00
Prior Period Items	4.8	0.00	0.00
Profit before tax		731120.00	814455.00
Tax expense:	4.9	0.00	0.00
Current tax		147328.00	169431.00
Deferred tax		(23768.00)	(11726.00)
Profit (Loss) for the period from continuing operations		607560.00	656750.00
Profit/(loss) from discontinuing operations	5.0	0.00	0.00
Tax expense of discontinuing operations		0.00	0.00
Profit/(loss) from Discontinuing operations (after tax)	0.00	0.00	0.00
Profit (Loss) for the period		607560.00	656750.00
Earnings per equity share:	5.2		
Basic		0.40	0.33
		0.40	0.33
Significant accounting policies and notes on Financial Statements for the year ended 31 st March 2013.	6.0		

In terms of our attached report of even date
 For MOMCHURI AND ASSOCIATES
 LIMITED
 FRN : 010730S
 M.VENKATA CHALAPATHI REDDY
 (PARTNER)

(DIRECTOR)

For ACE BPO SERVICES PRIVATE
 CHARTERED ACCOUNTANTS

(DIRECTOR)

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013
1.1 Share Capital

In Rs.

Particular	31/03/2013	31/03/2012
Authorised 2000000(2000000) Equity Shares of Rs. 10/- Par Value	20000000.00 20000000.00	20000000.00 20000000.00
Issued 2000000(2000000) Equity Shares of Rs. 10/- Par Value	20000000.00 20000000.00	20000000.00 20000000.00
Subscribed 2000000(2000000) Equity Shares of Rs. 10/- Par Value	20000000.00 20000000.00	20000000.00 20000000.00
Paidup 2000000 (2000000) Equity Shares of Rs. 10/- Par Value Fully Paidup	20000000.00 20000000.00	20000000.00 20000000.00
Less : Calls In Arrear By Directors	4914886.00 15085114.00	4914886.00 15085114.00

1.2 Reserve and Surplus

In Rs.

Particular	31/03/2013	31/03/2012
General Reserve – Opening	0.00	0.00
Addition	0.00	0.00
Deduction	0.00	0.00
	0.00	0.00
Securities Premium Opening	4000000.00 4000000.00	4000000.00 4000000.00
Profit and Loss Opening	3805454.00	3148704.00
Amount Transferred From Statement of P&L	607560.00	656750.00
Amount Transferred From Sundries		
	0.00	0.00
Appropriation and Allocation	(0.00)	(0.00)
	4413014.00	3805454.00
	8413014.00	7805454.00

1.3 Money Received Against Share Warrants

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

1.4 Share Application Money Pending Allotment

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

1.5 Long Term Borrowings

In Rs.

Particular	31/03/2013	31/03/2012
Term Loan		
Banks		
Secured		
Rupee		
SECURED LOANS - LONG TERM	827331.00	1445845.00
	827331.00	1445845.00

1.6 Deferred Taxes

In Rs

Particular	31/03/2013	31/03/2012
Deferred Tax Assets		
Fixed Assets	56434.00	32666.00
	56434.00	32666.00

1.7 Other Long Term Liabilities

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

1.8 Long Term Provisions

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

1.9 Short Term Borrowings

In Rs.

Particular	31/03/2013	31/03/2012
Loans repayable on demand Banks Secured SECURED LOANS - SHORT TERM	228558.00	449813.00
	228558.00	449813.00

2.0 Trade Payables

In Rs.

Particular	31/03/2013	31/03/2012
Creditors Due others SUNDRY CREDITORS	19414.00	960.00
	19414.00	960.00

2.1 Other Current Liabilities

In Rs.

Particular	31/03/2013	31/03/2012
Other payables Other Current Liabilities ELECTRICITY CHARGES PAYABLE PROVISION FOR INCOME TAX AUDIT FEE PAYABLE	7691.00 2134.00 40000.00	5535.00 0.00 30000.00
	49825.00	35535.00

2.2 Short Term Provisions

In Rs.

Particular	31/03/2013	31/03/2012
Tax Provision Current Tax DUTIES AND TAXES Other Tax TDS PAYABLE PROFESSIONAL TAX PAYABLE	156032.00 52400.00 0.00	168074.00 320936.00 111280.00
	208432.00	600290.00

2.3 Tangible assets

In Rs.

Particular	Gross			Gross			Impairment			Net	
	Opening	Addition	Deduction	Closing	Opening	During Period	Deduction	Other Adj.	Closing	Opening	Closing
PLANT AND MACHINERY	119237.00			119237.00	46176.00	10163.00			56339.00	62898.00	73061.00
Total	119237.00			119237.00	46176.00	10163.00			56339.00	62898.00	73061.00
Equipments											
Office Equipments											
ELECTRICAL EQUIPMENTS	226370.00	20000.00		246370.00	31361.00	27896.00			59257.00	187113.00	195009.00
Total	226370.00	20000.00		246370.00	31361.00	27896.00			59257.00	187113.00	195009.00
Computer Equipments											
COMPUTER AND RELATED ITEMS	1949870.00	12250.00		1962120.00	1369987.00	235264.00			1605251.00	356869.00	579883.00
Total	1949870.00	12250.00		1962120.00	1369987.00	235264.00			1605251.00	356869.00	579883.00
Furniture and Fixtures											
FURNITURE AND FIXTURES	1105194.00			1105194.00	268746.00	151397.00			420143.00	685051.00	836448.00
Total	1105194.00			1105194.00	268746.00	151397.00			420143.00	685051.00	836448.00
Vehicles											
Motor Vehicles											
VEHICLES	3805691.00		631112.00	3174579.00	302497.00	582813.00			1648877.00	1525702.00	2503194.00
Total	3805691.00		631112.00	3174579.00	302497.00	582813.00			1648877.00	1525702.00	2503194.00
Grand Total	7206362.00	32250.00	631112.00	6607500.00	8018767.00	1007533.00		0.00	3789867.00	2817633.00	4187595.00
Previous	4603351.00	2603011.00	0.00	7206362.00	2233566.00	785201.00		0.00	3018767.00	4187595.00	2369785.00

2.4 Intangible assets

In Rs.

Particular	Gross			Amortisation			Impairment			Net	
	Opening	Addition	Deduction	Closing	Opening	During Period	Deduction	Other Adj.	Closing	Opening	Closing
Particular	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Previous											

2.5 Capital work-in-progress In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

2.6 Intangible assets under development In Rs.

Particular	31/03/2013	31/03/2012
Development Cost Gross Opening	0.00	0.00
Addition	0.00	0.00
Deduction	0.00	0.00
Development Cost Gross Closing	0.00	0.00
Accumulated Amortisation Opening	0.00	0.00
Amortisation During Period	0.00	0.00
Deductions	0.00	0.00
Other Adjustments	0.00	0.00
Accumulated Amortisation During Period Closing	0.00	0.00
Accumulated Impairment Opening	0.00	0.00
Impairment During Period	0.00	0.00
Reversal Of Impairment	0.00	0.00
Accumulated Impairment During Period Closing	0.00	0.00
Development Cost Net Opening	0.00	0.00
	0.00	0.00

2.7 Non-current investments In Rs.

Particular	31/03/2013	31/03/2012
Investments in Mutual Funds Trade, Quoted 0 (31/03/2012 : 0) Investments in Mutual Funds With Canara Bank of Rs. 0 Each Fully Paidup in	1074978.00	1074978.00
	1074978.00	1074978.00

2.9 Long-term loans and advances In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

3.0 Other non-current assets In Rs.

Particular	31/03/2013	31/03/2012
Others Bank Deposits with more than 12 Months maturity	0.00	7096.00
	0.00	7096.00

3.1 Current investments In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

3.2 Inventories In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

3.3 Trade receivables		
In Rs.		
Particular	31/03/2013	31/03/2012
Trade Receivable Secured, considered good Within Six Months SUNDRY DEBTORS	9143906.00	6611988.00
	9143906.00	6611988.00
3.4 Cash and cash equivalents		
In Rs.		
Particular	31/03/2013	31/03/2012
Cash in Hand	11305.00	27310.00
Balances With Banks Balance With Scheduled Banks Current Account BANK ACCOUNT	130984.00	1207889.00
Deposit Account FIXED DEPOSIT WITH HDFC BANK LTD.	6811.00	0.00
	149100.00	1235199.00
3.5 Short-term loans and advances		
In Rs.		
Particular	31/03/2013	31/03/2012
Loans and advances to related parties Unsecured, considered good ACE PRO INDIA PRIVATE LIMITED	5101549.00	4851000.00
Loans and advances to others Unsecured, considered good LOANS AND ADVANCES (ASSET)	6541553.00	6466553.00
	11643102.00	11317553.00
3.6 Other current assets		
In Rs.		
Particular	31/03/2013	31/03/2012
ADVANCE TAX	50000.00	50000.00
DEPOSITS(ASSET)	21634.00	21634.00
IT REFUNDABLE	5161.00	5161.00
PRE PAID INSURANCE	55111.00	0.00
TDS RECEIVABLE	5925.00	19.00
INCORPORATION AND PREOPERATIVE EXPENSES	0.00	68740.00
MISCELLANEOUS EXPENDITURE	0.00	45186.00
SOFTWARE DEVELOPMENT EXPENSES	0.00	765196.00
	137831.00	955936.00
3.7 Revenue from operations		
In Rs.		
Particular	31/03/2013	31/03/2012
Sale of Services TRANSCRIPTION AND MEDICAL BILLING RECEIPTS	31956945.00	25039919.00
Other Operating Revenues FOREX DIFFERENCE	216281.00	112644.00
	32173226.00	25152563.00

3.8 Other income		In Rs.	
Particular	31/03/2013	31/03/2012	
Interest			
INTEREST ON FDR	1546.00	31446.00	
Miscellaneous			
OTHER INCOME	109300.00	0.00	
	110846.00	31446.00	
3.9 Cost of materials consumed		In Rs.	
Particular	31/03/2013	31/03/2012	
	0.00	0.00	
4.0 Purchases of Stock-in-Trade		In Rs.	
Particular	31/03/2013	31/03/2012	
	0.00	0.00	
4.1 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
In Rs.			
Particular	31/03/2013	31/03/2012	
Opening	0.00	0.00	
Closing	0.00	0.00	
Increase/Decrease	0.00	0.00	
Details of Changes in Inventory			
Particular	31/03/2013	31/03/2012	
	0.00	0.00	
4.2 Employee benefits expense		In Rs.	
Particular	31/03/2013	31/03/2012	
Salary, Wages & Bonus			
SALARIES	19151019.00	16915466.00	
Staff Welfare Expenses			
STAFF WELFARE	500852.00	160975.00	
Other Employee Related Expenses			
INCENTIVES	0.00	38445.00	
	19651871.00	17114886.00	
4.3 Finance costs		In Rs.	
Particular	31/03/2013	31/03/2012	
Interest Expenses			
Interest Expenses			
INTEREST ON VEHICLE LOANS	161010.00	88089.00	
INTEREST ON TDS	2365.00	0.00	
Bank Charges			
BANK CHARGES	29325.00	36338.00	
	192700.00	124427.00	

4.4 Depreciation and amortisation expense

In Rs.

Particular	31/03/2013	31/03/2012
Depreciation & Amortisation		
Depreciation Tangible Assets		
Depreciation	1007765.00	785201.00
	1007533.00	785201.00

4.5 Other expenses

In Rs.

Particular	31/03/2013	31/03/2012
Administrative and General Expenses		
Printing Stationery		
PRINTING & STATIONARY	5163.00	37612.00
Rent Rates And taxes		
OFFICE RENT	156000.00	156000.00
LICENCES & TAXES	7247.00	62850.00
Auditors Remuneration		
AUDIT FEE	40000.00	0.00
AUDIT FEE	0.00	30000.00
Repairs Maintenance Expenses		
COMPUTER REPAIR AND MAINTENANCE	44319.00	0.00
REPAIRS & MAINTENANCE	0.00	50819.00
Electricity Expenses		
ELECTRICITY CHARGES	96591.00	70209.00
Insurance Expenses		
INSURANCE	24680.00	68005.00
Vehicle Running Expenses		
VEHICLE MAINTENANCE	751699.00	0.00
Donations Subscriptions		
DONATIONS	0.00	1800.00
Other Administrative and General Expenses		
OFFICE MAINTENANCE	224377.00	97757.00
MEDICAL TRANSCRIPTION CHARGES	2620000.00	0.00
TOURS AND TRAVELS	0.00	655307.00
Telephone Postage		
TELEPHONE CHARGES	28339.00	29962.00
Write off Assets and Liabilities		
Sundry Expenses Written Off		
MISCELLONUES EXP. WRITTEN OFF	879122.00	879121.00
Other Expenses		
CONSULTANCY CHARGES	4907737.00	3511174.00
INTERNET CHARGES	370680.00	359988.00
PROFESSIONAL TAX PAID	57820.00	73780.00
SERVER MAINTENANCE	102000.00	93000.00
VOIP CHARGES	185074.00	167656.00
	10500848.00	6345040.00

4.6 Exceptional items

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

4.7 Extraordinary Items

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

4.8 Prior Period items

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

4.9 Tax expense

In Rs.

Particular	31/03/2013	31/03/2012
Current tax		
PROVISION FOR I.T	156032.00	169431.00
Deferred tax		
Deferred Tax Asset	(161663.00)	(11726.00)
	132264.00	157705.00

5.0 Profit/(loss) from discontinuing operations

In Rs.

Particular	31/03/2013	31/03/2012
	0.00	0.00

5.2 Earnings per equity share

In Rs.

Particular	31/03/2013	31/03/2012

In terms of our attached report of even date
 For MOMCHURI AND ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN : 010730S

For ACE BPO SERVICES PRIVATE LIMITED

M.VENKATA CHALAPATHI REDDY
 (PARTNER)

(DIRECTOR)

(DIRECTOR)

ACE BPO SERVICES PRIVATE LIMITED
NOTES ON ACCOUNTS

NOTES FORMING PART OF THE ACCOUNTS AS ON 31.03.2013

Schedule – I

1) significant Accounting Policies:

a) General:

The Financial Statement have been prepared under the historical cost convention method in accordance with the provisions of the Companies Act, 1956 and accounting standards issued by the Institute of Chartered Accountants of India as adopted consistently by the Company. All the Income and expenditure having a material bearing on the financial statements are recognized on accruals basis.

b) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation inclusive of freight, duties, taxes and incidental expenses relating to the cost of acquisition and finance cost.

c) Depreciation:

Depreciation on fixed assets is provided using WDV method, at the rates specified in the Schedule XIV to the companies Act 1956.

d) Accounting Policies not specifically referred to are consistent with generally accepted accounting practices.

e) Revenue Recognition:

Revenue from Medical transcription is recognized as and when billed to the Clients as per the terms of specified contracts.

f) Foreign Currency Transactions:

In the case of sale made to clients outside India, income is accounted on the basis of the Exchange rate as on the date of transaction. Adjustments are made for any variations in the sale proceeds on conversion into Indian currency upon actual receipt as per Accounting Standard II.

Note No. 5.9. AS_22 Taxation of Income:

Provision for Taxation, the aggregate of Income Tax Liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing differences between Book and Tax Profits, if any, is considered in accordance with the Accounting Standard- 22(AS-22), Accounting for taxes on income, issued by the Institute of Chartered Accountants of India.

Note No.6.3 :

1. Auditors Remuneration	2012-13	2011-12
—Audit Fee	Rs.40000/-	Rs.30,000/-
—Expenses	—	—

Note No. 6.4 In the opinion of the Board of Directors and to the best of their knowledge and belief, the value on realization of current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

Note No. 6.5 .Foreign Exchange Earnings Rs. 321.73/-

Note No. 6.6 Expenditure in foreign currencies —Nil—

Note No. 6.7 Contingent Liability provided for —NIL—

Note No. 6.7 Debit and credit balances are subject to confirmation.

Note No. 6.8 Previous year figures have been regrouped / rearranges wherever necessary as per our report of even date.

Note No. 6.9 There are no amounts due to small-scale Industrial undertakings, to whom the company owes a sum which is outstanding for more than 30 days and hence the details in respect of outstanding dues to small-scale Industrial undertakings are not furnished, as required as per the notification No.GSR 129(E) dated 22nd February 1999.

For MOMCHURI & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

Place: Hyderabad

M.VENKATA CHALAPATHI REDDY

Date: 03-09-2013

PARTNER

Firm Regn. No. 010730S

CTIL INFRASTRUCTURE PVT LTD**DIRECTORS REPORT**

To

The Members of the Company

Your Directors take this privilege to present Fourth Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

Financial Results for the year ended 31.03.2013 are summarized below:

PARTICULARS	(Rs.in lakhs)	
	2012-13	2011-12
Income from Operations	—	0.51
Expenditure	0.45	0.16
PBDIT	-0.45	0.35
Interest	—	—
Depreciation	0.07	0.11
Profit Before Tax (PBT)	-0.52	.24
Provision for Tax	—	0.07
Deferred Taxes	-0.01	-0.007
Profit after Tax	-0.51	0.17
Balance b/f	2.24	2.07
Balance Carried to Balance Sheet	1.73	2.24

FINANCIAL PERFORMANCE:

The company has not carried on any commercial activity during the year under review. The power project of the company is under implementation.

BUSINESS AND FUTURE OUT LOOK:

The company is looking at various options to undertake infrastructure projects. Some projects are under active consideration of directors. Your directors foresee good growth in future and which will in turn contribute to the overall growth of the group.

DEPOSITS:

During the year, Company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act 1956 read with Deposit Rules issued by Central Government.

DIRECTORS':

Mr. N V Simhadri, who was appointed as addition director will hold the office upto the date of the ensuing Annual General Meeting. Being eligible Mr. NV Simhadri is seeking appointment as a Director at the said Meeting and your Directors recommend approval of the same by the Members. Further, Mr. Ramesh Koritala and Mr. Purna Kumar Aarigapudi have been appointed as Directors on the Board of the Company effective from 16.04.2013 and 16.07.2013 respectively.

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.

PARTICULARS OF EMPLOYEES:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

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:

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 or loss of the Company for year ended on that date:

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record 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.

That the Directors have prepared the annual accounts for the year ended 31st March, 2013 on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Additional information on conservation of energy, technology absorption, foreign exchange earning 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:

The operations of your company so far are minuscule and it will take time to go on swing. Therefore the operations of the Company doesn't require any energy and chances for conservation are hardly anything.

TECHNOLOGY ABSORPTION:

The Company is in the process of setting up of Solar Power Project and Thermal Power Project of sizes as stated herein before. During the implementation of the projects and after successful commissioning of the projects your company will make all possible endeavors to develop newer technologies and absorption of the same wherever possible.

Foreign Exchange earning and outgo:

Particulars	2012-13	2011-12
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation of services of employees, Bankers and various Statutory Authorities for their continued support during the year. We look forward to maintain same cordial relations with all concerned in future also.

For and on behalf of the Board
CTIL INFRASTRUCTURE PVT LTD

Place: Hyderabad

Date: 03.09.2013

Sd/-
Director

Sd/-
Director

AUDITOR'S REPORT

To

The Members of

CTIL INFRASTRUCTURE PVT LTD**Report on the financial Statements**

We have audited the accompanying financial statements of **CTIL INFRASTRUCTURE PVT LTD** ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act 1956 ("the Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of profit and Loss, of the profit for year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.

2 As required by section 227 (3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of profit and Loss dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of profit and Loss comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act 1956;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board Directors, none of the director is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For BALAJI VISWANATH & CO
Chartered Accountants
(Firm Regn .No. 008194S)

B Balaji Viswanath & Co
Proprietor
M.No. 029357
Place: Hyderabad
Date : 30/05/2013

ANNEXURE TO AUDIT REPORT**CTIL INFRASTRUCTURE PVT LTD**

Referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date.

- 1. a** The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b.** The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - C.** The Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the company, is not affected.
- 2** The Company has not yet started any significant operations. Accordingly, it doesn't hold any physical inventories. Thus paragraph 4(ii) of the order is not applicable.
- 3**
 - a.** The company has not granted interest free unsecured loan to bodies corporate listed in the Register maintained under section 301 of the Companies Act, 1956.
 - b.** In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - c.** In respect of loans granted by the Company, repayments of principal amount are regular.
 - d.** There are no overdue amounts as at the year end.
 - e.** The company has not taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - f.** In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - g.** In respect of loan taken by the Company, the repayments of principal amount are regular.
- 4** In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control systems.
- 5**
 - a.** According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b.** In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6.** In our opinion and according to the information and explanations given to us the company has not accepted deposits from Public. Hence, compliance with the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public is not applicable. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal of the company.
- 7.** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. Central Government has not prescribed Maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company.
9. **In respect of statutory dues:**
 - a. According to the records of the Company, the undisputed statutory due including provident Fund, Employees State Insurance, Income tax, excise duty, sales tax and Cess have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2013 for a period of more than six months from the date they become payable.
10. The company has no accumulated losses and it has not incurred any cash losses in the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions & banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has given guarantees for loans taken by its subsidiary company and associate company from bank / financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
16. In our opinion according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
17. In our opinion and according to the information and explanation given to us and on overall examination of balance sheet of the company, we are of the opinion that there are no funds raised for short term basis that have been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of issue of Debentures during the year; hence paragraph (xix) of the order is not applicable to the company.
20. According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence this clause is not applicable to the company.
21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For BALAJI VISWANATH & CO
Chartered Accountants
(Firm Regn .No. 008194S)
B Balaji Viswanath & Co
Proprietor
M.No. 029357
Place: Hyderabad
Date : 30/05/2013

CTIL INFRASTRUCTURE PRIVATE LIMITED

6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016

BALANCE SHEET AS AT 31st MARCH,2013

(Amount in Rupees)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I EQUITY AND LIABILITIES:			
1 Shareholders funds			
(a) Share Capital	2	499,640	499,640
(b) Reserves and Surplus	3	26,749,801	26,801,222
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Deferred tax Liability (net)		1,311	2,251
(b) Other Long term liabilities	4	450,000	450,000
4 Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities		-	-
(d) Short-term provisions	5	21,854	7,501
TOTAL		27,722,605	27,760,614
II ASSETS:			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	16,918	24,287
(ii) Intangible assets		4,537,080	4,537,080
(iii) Capital work - in - progress		-	-
(b) Non-current Investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long- Term Loans and advances	7	23,015,000	23,015,000
2 Current assets			
(a) Inventories		-	-
(b) Trade Receivables		-	-
(c) Cash and bank balances	8	153,607	184,247
(d) Short -term loans and advances		NIL	-
(e) Other current assets	9	NIL	-
TOTAL		27,722,605	27,760,614

Significant Accounting policies and notes to accounts

1 to 26

As per our Report of even date

For and on behalf of the board

for Balaji Viswanath & Co,

Chartered Accountants.

sd/-

sd/-

sd/-

B.Balaji Viswanath

Proprietor

Director

Director

M.No. 029357

Place : Hyderabad

Date : 05-09-2013

CTIL INFRASTRUCTURE PRIVATE LIMITED6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS, BEGUMPET, HYDERABAD - 500016
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

(Amount in Rupees)

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
I Revenue from operations	10	-	51,210
II Other Income	11	-	383
III Total Revenue (I+II)		-	51,593
IV Expenses:			
b) Operating Expenses	12	NIL	-
c) Employee benefit Exepense	13	NIL	-
e) Depreciation and amortisation expense	6	7,369	11,418
f) Other Exepenses	14	44,993	15,898
Total Expenses		52,362	27,316
V Profit before tax (III-IV)		(52,362)	24,277
VI Tax Expense:			
(a) Current tax	15	-	7,501
(b) Deferred Tax		(940)	(692)
		(940)	6,809
VII Profit / (Loss) for the period (V-VI)		(51,421)	17,468
IX Net Profit		(51,421)	17,468
X Earnings per equity share: (Face value of Rs.10/- each)			
(1) Basic		-	-
(2) Diluted		-	-

Significant Accounting policies and notes to accounts

1 to 26

As per our Report of even date
for Balaji Viswanath & Co,
Chartered Accountants.

sd/-

B.Balaji Viswanath

Proprietor

M.No. 029357

Place : Hyderabad

Date : 05-09-2013

For and on behalf of the board

sd/-

Director

sd/-

Director

CTIL INFRASTRUCTURE PRIVATE LIMITED
 Notes to accounts
 NOTE NO: 2 - SHARE CAPITAL:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Authorised Equity Shares of Rs. 10/- each	50000	500000	50000	500000
Authorised Equity Shares of Rs. 10/- each Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer footnote (a) to (c) below)	50000	500000	50000	500000
	49964	499,640	49964	499,640
Total	49964	499,640	49964	499,640

Footnote:
(a) Reconciliation of the number of shares outstanding as at March 31, 2013 and March 31, 2012:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	49964	499,640	10000	100,000
Equity Shares Issued during the year	39964	399,640	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	49964	499,640	49964	499,640

(b) Details of Shareholders holding more than 5% shares:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 CTIL Limited	49964	100.00%	49964	100.00%

(c) Details of Shareholding by Holding company and its subsidiaries:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 CTIL Limited	49964	100.00%	49964	100.00%

CTIL INFRASTRUCTURE PRIVATE LIMITED

Notes to accounts
NOTE NO: 3 - RESERVES AND SURPLUS:

Particulars	As At March 31, 2013	As At March 31, 2012
	Rupees	Rupees
i) Securities Premium reserve		
Opening Balance	26,576,060	-
(+) Additions during the year	-	26,576,060
Closing Balance	26,576,060	26,576,060
ii) Surplus		
(+) Additions for the year	225,162	207,694
(-) Appropriations	(51,421)	17,468
Closing Balance	173,741	225,162
Total (a + b+c)	26,749,801	26,801,222

NOTE NO: 4 - OTHER LONG TERM LIABILITIES:

Particulars	As At March 31, 2013	As At March 31, 2012
	Rupees	Rupees
PTR Software Private Limited	450,000	450,000
	450,000	450,000

NOTE NO: 5 - SHORT-TERM PROVISIONS:

Particulars	As At March 31, 2013	As At March 31, 2012
	Rupees	Rupees
(a) Provision for Income tax	-	7,501
(b) Provision for Expenses	21,854	-
	21,854	7,501

NOTE NO: 7 - LONG-TERM LOANS AND ADVANCES:

(a) Advance for acquisition of Land	17,350,000	17,350,000
(b) Dainik Properties Pvt. Ltd	1,000,000	1,000,000
(c) DLF Homes Goa Pvt. Ltd	500,000	500,000
(d) Greenline Tea and Exports Limited	350,000	350,000
(e) Ishant Properties Pvt. Ltd	425,000	425,000
(f) Maitreya Electricals	1,000,000	1,000,000
(g) P. Sudheer Babu	450,000	450,000
(h) Teleflex Infoservices Pvt. Ltd.	500,000	500,000
(i) Vedic Contructions	400,000	400,000
(j) Antartic software pvt. Ltd.	1,040,000	1,040,000
	23,015,000	23,015,000

NOTE NO: 8 - CASH AND CASH EQUIVALENTS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Cash and cash equivalents:		
(i) Balances with banks;		
(1) In Deposit Accounts	-	-
(2) In Current Accounts	11,139	21,778
(ii) Cash on hand	142,468	162,469
	153,607	184,247

NOTE NO: 9 - OTHER CURRENT ASSETS:

PARTICULARS	As At March 31, 2013 Rupees	As At March 31, 2012 Rupees
(a) Advance Tax and TDS	-	-
	-	-

NOTE NO: 10 - REVENUE FROM OPERATIONS:

PARTICULARS	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Contract Receipts	-	-
Sale of Scrap	-	51,210
	-	51,210

NOTE NO: 11 - OTHER INCOME:

PARTICULARS	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Interest on Income Tax Refund	0	383
	0	383

NOTE NO: 12 - OPERATING EXPENSES:

PARTICULARS	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Machinery and Equipment Charges	-	-
Labour	-	-
	-	-

NOTE NO.13 - EMPLOYEE BENEFIT EXPENSE:

PARTICULARS	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Salaries, wages and bonus	-	-
Staff Welfare	-	-
	-	-

NOTE NO: 14 - OTHER EXPENSES:

PARTICULARS	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Audit fee & certification charges	16,854	
Books and Periodicals	-	
Bank Charges	8,139	15,898
Computer Hire Charges	-	
Electricity	-	
Miscellaneous Expenses Written off	-	
Office Maintenance	20,000	
Postage & Courier Service charges	-	
Printing & Stationery	-	
Telephone Charges	-	
Travelling & conveyance	-	
	44,993	15,898

NOTE NO: 15- CURRENT TAX:

PARTICULARS	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Current tax	-	-
Net Current tax	-	-

CTIL INFRASTRUCTURE PRIVATE LIMITED
Notes to accounts
NOTE NO: 6 : FIXED ASSETS:

(Rupees)

S. No	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
		AS AT 01.04.2012	Additions During the Year	Deletions	As at 31.03.2013	As at 31.03.2012	For the Year	Deletions	UPTO 31.03.2013	As at 31.03.2013	As at 31.03.2012
1	Furniture & Fittings	15,280	-	-	15,280	4,569	1,939	-	6,508	8,772	10,711
2	Computers	46,850	-	-	46,850	33,274	5,431	-	38,705	8,145	13,576
	TOTAL	62,130	-	-	62,130	37,843	7,369	-	45,212	16,918	24,287
	PREVIOUS YEAR	62,130			62,130	26,425	11,418		37,843	24,287	35,705

NOTES ON ACCOUNTS
NOTES FORMING PART OF THE ACCOUNTS AS ON 31.03.2013

Significant Accounting Policies:

Note 1. Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards Notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Fixed Assets

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalization of the asset acquired / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities / creation of new assets is capitalized. Such expenditure to be capitalized includes borrowing / finance costs, direct and indirect expenditure incurred on such assets up to the time they are completed.

3. Depreciation

Depreciation on fixed assets has been provided on the straight line method and at the rates and in manner specified in Schedule xiv to the Companies Act, 1956.

4. Investments

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature. Current investments are valued at the cost or market value whichever is lower.

5. Borrowing

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that the company incurs in connection with borrowing of funds.

6. Accounting for Leases

Rentals in respect of leased premises are charged to profit and loss account.

7. Taxes on Income

a. Current Tax

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provision of the income Tax Act, 1961.

b. Deferred Tax

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period / s, subject to the consideration of prudence.

Note No. 24: **Payments to Statutory Auditor:**

	2012-13	2011-12
Audit fee		
Statutory Expenses 5,000	16,854 Nil	Nil
Total	21,854	Nil

Note No. 25. Related party Disclosures:

1. Related Party disclosures in accordance with AS-18 issued by The Institute of Chartered Accountants of India by virtue of share holding and key management personnel.

a) Relation Ship

I Indian Holding Company : CTIL Limited

b) The following transactions were carried out with related parties in the ordinary course of business.

CTIL Limited Stake	2012-13	2011-12
Opening Balance 100%	27075700	28786000
Investment made during the year	NIL	-1710300
Balance at the year end 27075700	27075700	
Maximum Outstanding during the year	27075700	27075700

Note No. 26. There are no amounts due to small-scale industrial undertakings, to whom the company owes a sum which is outstanding for more than 30 days and hence the details in respect of outstanding dues to small-scale industrial undertakings are not furnished, as required as per the notification No.GSR 129(E) dated 22nd February 1999.

Note No. 27. **Expenditure in Foreign Currency:** NIL

Note No. 28 Number of employees who were in receipt of remuneration of Rs. 60,00,000 or more if employed through-out the year or Rs. 5,00,000/-per month if employed for a part of the year is **NIL**.

Note No. 29 Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current years' classification.

As per report of even date attached

For BALAJI VISWANATH & CO.,
CHARTERED ACCOUNTANTS
(Firm Reg No: 008194S)

For CTIL Infrastructure Pvt Ltd

B.Balaji Viswanath
Proprietor.
Membership No:029357
Place: Hyderabad
Date: 30th May, 2013

Director

Director

CTIL MEDIA PVT LTD
DIRECTORS REPORT

To

The Members of the Company

Your Directors take this privilege to present their Fourth Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2013.

OPERATIONAL RESULTS:

The company has not commenced any commercial operations during the period ended on 31st March, 2013.

DIRECTORS:

Mr. N.V. Simhadri, who was appointed as additional director from 12.10.2012 will hold the office upto the date of the ensuing Annual General Meeting. Being eligible he offers himself for appointment as a Director at the said meeting. Your Directors recommend approval of his proposed appointment as Directors by the members of the company.

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.

PARTICULARS OF EMPLOYEES:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

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:

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.

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record 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.

That the Directors have prepared the annual accounts for the year ended 31st March, 2013 on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Additional information on conservation of energy, technology absorption, foreign exchange earning 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:

The operations of your company so far are minuscule and it will take time to go on swing. Therefore the operations of the Company doesn't require any energy and chances for conservation are hardly anything.

Foreign Exchange earning and outgo:

Particulars	2012-13	2011-12
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation of services of employees, Bankers and various Statutory Authorities for their continued support during the year. We look forward to maintain same cordial relations with all concerned in future also.

For and on behalf of the Board
CTIL MEDIA PVT LTD

Place: Hyderabad
Date: 03.09.2013

Sd/-
Director

Sd/-
Director

AUDITOR'S REPORT

To
The Members of
CTIL MEDIA PVT LTD

Report on the financial Statements

We have audited the accompanying financial statement of **CTIL MEDIA PVT LTD** ("the Company") which comprise the Balance Sheet as at March 31, 2013 for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act 1956 ("the Act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.
- 2 As required by section 227 (3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of as required by law have been kept by the Company so far as

ANNEXURE**Re : CTIL MEDIA PVT LTD****Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.**

1.
 - a. The company is not having any tangible assets. Hence disclosures regarding fixed assets doesn't apply.
2. The Company has not yet started its operations. Accordingly, it doesn't hold any physical inventories. Thus paragraph 4(ii) of the order is not applicable.
3.
 - a. The company has not granted interest free unsecured loan to bodies corporate listed in the Register maintained under section 301 of the Companies Act, 1956.
 - b. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - c. In respect of loans granted by the Company, repayments of principal amount are regular.
 - d. There are no overdue amounts as at the year end.
 - e. The company has not taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - f. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the company.
 - g. In respect of loan taken by the Company, the repayments of principal amount are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examinations and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control systems.
5.
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us the company has not accepted deposits from Public. Hence, compliance with the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Central Government has not prescribed Maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company.
9. **In respect of statutory dues:**
 - a. According to the records of the Company, the undisputed statutory due including provident Fund, Employees State Insurance, Income tax, excise duty, sales tax and Cess have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2013 for a period of more than six months from the date they become payable.
10. The company has no accumulated losses since it has not yet started its operations.
11. Based on our audit procedures and according to the information and explanations given to us, appears from our examination of those books;
 - c. The Balance Sheet dealt with by this Report is in agreement with the books of account;
 - d. In our opinion, the Balance Sheet comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board Directors, none of the director is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. we are of the opinion that the company has not defaulted in repayment of dues to financial institutions & banks.

12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
15. In our opinion and according to the information and explanations given to us, the company has given guarantees for loans taken by its subsidiary company and associate company from bank / financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
16. The company has not taken any term loans.
17. The company has not borrowed any short term funds.
18. During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of issue of Debentures during the year; hence paragraph (xix) of the order is not applicable to the company.
20. According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence this clause is not applicable to the company.
21. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For BALAJI VISWANATH & CO
Chartered Accountants
(Firm Regn .No. 008194S)

B Balaji Viswanath & Co
Proprietor
M.No. 029357

Place: Hyderabad
Date : 30/05/2013

CTIL MEDIA PRIVATE LIMITED
6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS
BEGUMPET, HYDERABAD - 500016
BALANCE SHEET AS AT 31st MARCH,2013

(Amount in Rupees)

Particulars	Note No.	As At March 31, 2013	As At March 31, 2012
I EQUITY AND LIABILITIES:			
1 Shareholders funds			
(a) Share Capital	2	100,000	100,000
(b) Reserves and Surplus		-	-
2 Share application money pending allotment		900,000	900,000
3 Non-current liabilities			
(b) Deferred tax Liability (net)		-	-
(c) Other Long term liabilities		-	-
4 Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities		300,000	300,000
(d) Short-term provisions	3	21,854	
TOTAL		1,321,854	1,300,000
II ASSETS:			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		666,532	624,566
(iii) Capital work - in - progress		-	-
(b) Non-current Investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long- Term Loans and advances		-	-
2 Current assets			
(a) Inventories		-	-
(b) Trade Receivables		-	-
(c) Cash and bank balances	4	505,322	525,434
(d) Short -term loans and advances	5	150,000	150,000
(e) Other current assets		-	-
TOTAL		1,321,854	1,300,000

Significant Accounting policies and notes to accounts

1 to 13

As per our Report of even date
for Balaji Viswanath & Co,
Chartered Accountants.

For and on behalf of the board

sd/-

sd/-

sd/-

B.Balaji Viswanath

Proprietor

Director

Director

M.No. 029357

Place : Hyderabad

Date : 30-05-2013

CTIL MEDIA PRIVATE LIMITED
Notes to accounts
NOTE NO: 2 - SHARE CAPITAL:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Authorised Equity Shares of Rs. 10/- each	50000	500000	50000	500000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer footnote (a) to (c) below)	10000	100000	10000	100000
Total	10000	100000	10000	100000

Footnote:
(a) Reconciliation of the number of shares outstanding as at March 31, 2013 and March 31, 2012:

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	10000	100000	10000	100000
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	10000	100000	10000	100000

(b) Details of Shareholders holding more than 5% shares:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 CTIL Limited	10000	100.00%	10000	100.00%

(c) Details of Shareholding by Holding company and its subsidiaries:

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 CTIL Limited	10000	100.00%	10000	100.00%

Notes to accounts
NOTE NO: 3 - SHORT-TERM PROVISIONS:

Particulars	As At March 31, 2013	As At March 31, 2012
	Rupees	Rupees
(a) Provision for Expenses	21,854	0
	21,854	0

NOTE NO: 4 - CASH AND CASH EQUIVALENTS:

Particulars	As At March 31, 2013	As At March 31, 2012
	Rupees	Rupees
(a) Cash and cash equivalents:		
(i) Balances with banks;		
(1) In Deposit Accounts	-	-
(2) In Current Accounts	994	8,106
(ii) Cash on hand	504,328	517,328
	505,322	525,434

NOTE NO: 5 - SHORT TERM LOANS AND ADVANCES:

Particulars	As At March 31, 2013	As At March 31, 2012
	Rupees	Rupees
(Unsecured and considered good)		
(a) Other advances & Receivables	150,000	150,000
	150,000	150,000

CTIL MEDIA PRIVATE LIMITED
 NOTES ON ACCOUNTS
 NOTES FORMING PART OF THE ACCOUNTS AS ON 31.03.2013

Significant Accounting Policies:

Note 1. Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards Notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Fixed Assets

The company has not yet acquired any fixed assets.

Note No. 24: Payments to Statutory Auditor:

	2012-13	2011-12
Audit fee		
Statutory Expenses	16,854	Nil
	5,000	Nil
Total	21,854	Nil

Note No. 25. Related party Disclosures:

1. Related Party disclosures in accordance with AS-18 issued by The Institute of Chartered Accountants of India by virtue of share holding and key management personnel.

a) Relation Ship

I Indian Holding Company : CTIL Limited

b) The following transactions were carried out with related parties in the ordinary course of business.

CTIL Limited Stake	2012-13	2011-12
Opening Balance 100%	1000000	1000000
Investment made during the year	NIL	NIL
Balance at the year end	1000000	1000000
Maximum Outstanding during the year	1000000	1000000

Note No. 26. There are no amounts due to small-scale industrial undertakings, to whom the company owes a sum which is outstanding for more than 30 days and hence the details in respect of outstanding dues to small-scale industrial undertakings are not furnished, as required as per the notification No.GSR 129(E) dated 22nd February 1999.

Note No. 27. Expenditure in Foreign Currency: NIL

Note No. 28 Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current years' classification.

As per report of even date attached

For BALAJI VISWANATH & CO.,
 CHARTERED ACCOUNTANTS
 (Firm Reg No: 008194S)

For CTIL Media Limited

B.Balaji Viswanath
 Proprietor.
 Membership No:029357
 Place: Hyderabad
 Date: 30th May, 2013

Director

Director

DECLARATION BY THE DIRECTORS

To
The Shareholders,
CTIL HONG KONG LIMITED

Since the accounting year in Hong kong ends with July 31st, and the auditors have already given their report as on July 31st, 2013, Directors of your company have taken view based on normal accounting policies and practices to have a certification and authentication of figures and amounts extracted from the audited ones by the Chartered Accountants in India for the year ended 31st March,2013 for the purpose of consolidation of Financial Statements with those of parent company.

Further I, the Director of CTIL Hongkong Limited hereby declare that;

1. The Financial statements and notes for the period ended 31st March, 2013 are prepared in accordance with the accounting policies contained in note 2 of the notes appended to the Financial Statements.
2. The Financial Statements so prepared gives true and fair view of the financial position of the Company in case of Balance Sheet and of the Profit or Loss in case of statement of Income.

DIRECTOR

CTIL (HK)LIMITED
CTIL HONGKONG LIMITED

STATEMENT OF COMPREHENSIVE INCOME PERIOD ENDED 31.03.2013

1 The Financial statements and notes for the period ended 31st March 2013 are prepared in accordance with the accounting policies in note 2 of the notes appended to the Financial Statements.

	2012-13	2011-12
REVENUE	115375281	49821513
COST OF SALES	78705213	40860780
GROSS PROFIT	36670068	8960733
ADMINISTRATIVE AND OTHER EXPENSES	4853410	1494740
PROFIT BEFORE TAX	31816658	7465993
INCOME TAX	4878749	1493199
PROFIT FOR THE YEAR	26937909	5972794
ACCUMULATED PROFIT CARRIED FORWARD	33904831	6966922

STATEMENT OF FINANCIAL POSITION:

	2012-13	2011-12
NON CURRENT ASSETS		
PROPERTY, PLANT EQUIPMENT AND LEASEHOLD IMPROVEMENTS	27690	34613
CURRENT ASSETS:		
CASH AND BANK BALANCES	45696	21682
TRADE AND OTHER RECEIVABLES	42006359	17878239
TOTAL CURRENT ASSETS - A	42052055	17899921
CURRENT LIABILITIES:		
ACCURALS	5179000	6160341
TRADE AND OTHER PAYABLES	159514	1936271
TOTAL CURRENT LIABILITIES - B	5387014	8179712
NET CURRENT ASSETS - (A-B)	36665041	9720209
TOTAL ASSETS	36692731	9754822
EQUITY	2787900	2787900
RETAINED PROFIT	33904831	6966922
TOTAL LIABILITIES	36692731	9754822

Statement of Changes in Equity

Period ended 31st March 2013	Issued Share Capital Rs.	Accumulated Profits Rs.	Total Rs.
Opening Balance	2787900	6966922	9754822
Retained profits for the year	0	26937909	26937909
Total	2787900	33904831	36692731

The accompanying Accounting policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS:**CORPORAE INFORMATION:**

CTIL (Hong Kong) LIMITED (the 'Company') is a limited liability company incorporated in Hong Kong. Its principal activity is software development. The Company's registered office is located at Room 406B, 4/F, Mirror Tower, 61, Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES.

The Company qualifies under the Companies Ordinance to prepare and present its financial statements in accordance with section 141D of that Ordinance. The Company's shareholders have unanimously agreed in writing to apply section 141D with respect to the Company's Financial Statements for the period ended 31.07.2013.

These Financial Statement comply with the Small and Medium-sized entity Financial Reporting Standard issued by the Hon Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for proper understanding of the financial statement.

Revenue:

Revenue arising from software development operation is recognized when it is probable that the economic benefits will flow to the Company when the revenue can be measured reliably when the relevant services are provided.

Taxation:

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is not provided**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment to the company is purchase price and directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after item of property, plant and equipment have been put into operation such as repairs and maintenance is normally charged to the statement of comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalized as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principle annual rates used for this purpose are:

Computers 20%
 Inventories: There were no inventories.

PROFIT BEFORE TAX

Profit before Tax is arrived as after charging

PARTICULARS	PERIOD ENDED 31.03.2013 (Rs.)
Auditors Remuneration	35000
Depreciation	6923
Employees Remuneration	1382190

1. INCOME TAX

Hong Kong profits tax has been provided at 16.5% on the Company's estimated assessable profits arising in Hong Kong.

2. AMOUNT DUE TO DIRECTORS:

Amount due to Directors is unsecured, interest – free and has no fixed terms of repayment.

3. SHARE CAPITAL RS.

Authorised, Issued and fully, paid: 2787900

4. PROPERTY, PLANT AND EQUIPMENT

COMPUTERS	2012-13 RS.	2011-12 RS.
COST		
At beginning and during the period	48459	48459
ACCUMULATED DEPRECIATION	13846	6923
Charge for the period	6923	6923
NET BOOK VALUE		
As 31.07.2013	27690	34613

5. COMPARATIVE AMMOUNTS:

As these are the first set of Company's financial statements, no comparative amount were presented accordingly.

6. APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements were authorized for issue by the board of Directors on 30.05.2013.

PARTICULARS	2012-13 RS.	2011-12 2011-12
Advertising fee	47662	18721
Auditing Fee	80000	35000
Bank Service Charges	4205	1296
Business License and Fee	1000	990
Depreciation	6923	6923
Employee Remuneration	4099890	1382190
Office supplies 178990	6597	
Printing and Stationery	209890	1287
Sundries 88985	15968	
Telephone and Fax	89875	19878
Utilities	45990	5890
TOTAL:	4853410	1494740

**BLANK PAGE
FOR NOTES**

 **CTIL LIMITED**

(formerly known as COMP-U-LEARN TECH INDIA LIMITED)
4th FLOOR, MY HOME TYCOON
LIFE STYLE BUILDING, GREENLANDS BEGUMPET, HYDERABAD – 500 016
TEL. NO: 040-23412103, FAX NO: 040-23414156

PROXY FORM

We.....of.....being a member (s) of CTIL Limited formerly known as Comp-u-Lean Tech India Ltd Hereby appoint.....of.....of failing him..... of Hereby appoint.....of.....of failing him.....

Of as my / our Proxy to vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company on Saturday.30th September, 2013 at 9.00 A.M. at Vasavi Club, Khairtabad, Hyderabad – 500 004 and / or at any adjournment thereof.

Signed this.....day of.....2013

Regd. Folio No. / Client ID No.....

Note:

1. The Proxy need not be a member
2. The Proxy form must be returned so as to reach the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.

Affix Rs.1/-
revenue stamp

 **CTIL LIMITED**

Formerly known as
COMP-U-LEARN TECH INDIA LIMITED
4th FLOOR, MY HOME TYCOON
LIFE STYLE BUILDING, GREENLANDS BEGUMPET, HYDERABAD – 500 016
TEL. NO: 040-2341203, FAX NO: 040-23414156

**16TH Annual General Meeting
ATTENDANCE SLIP**

Please Complete this attendance slip and hand it over at the entrance of the Meeting Hall

Name of the Member(s) (In Block Leetters).....

Name of Proxy. If any (In Block Letters).....

Regd.folio No. / Client ID No.....

No. of Shares held.....

I hereby record my presence at the 16th Annual General Meeting of the Company at 9.00 A.M. at Vasavi Club, Khairtabad, Hyderabad – 500 004 on Friday, 30th of September, 2012.

NOTE:

1. Member(s) / Proxy holders are requested to bring this attendance Slip duly filled in and signed with them when they come for the meeting and hand it over at the entrance of the Meeting Hall.
2. No attendance slip will be issued at the time of the meeting.
3. The copy of Annual Report may please be brought to the Meeting hall.

BOOK - POST
Annual Report

If Undelivered, please return to:

 **CTIL LIMITED**

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

LIFE STYLE BUILDING, GREEN LANDS

BEGUMPET, HYDERABAD – 500 016

TEL NO: 040-23412103, FAX NO: 040-23414156