

# CTIL LIMITED

(setting standards in technology)

(FORMERLY COMP-U-LEARN TECH INDIA LIMITED)

(CIN NO: L72200TG1997PLC026934)

## 17<sup>TH</sup> ANNUAL REPORT

2013-14

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CONSOLIDATED RESULTS:

YEAR UNDER REVIEW:

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

**BOARD OF DIRECTORS:**

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

**AUDITORS:**

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

**BANKERS:**

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

**AXIS BANK**

Srinagar Colony Branch, Hyderabad 500 004

**HDFC BANK**

Banjara Hills Branch, Hyderabad 500 34

**STANDARD CHARTERED BANK**

SD Road Branch, Secunderabad

**REGISTRAR AND SHARE TRANSFER AGENTS:**

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

Date, time and Venue of the  
17<sup>th</sup> Annual General Meeting  
Tuesday, the 30<sup>th</sup> September, 2014,  
at 9.00 A.M.

Hotel Spice Touch  
8-2-309/7/3, Plot No.299, Road Number  
14, Banjara Hills, Hyderabad,  
Telangana 500034

**REGISTERED OFFICE:**

4<sup>th</sup> Floor, My Home Tycoon  
Life Style Building, Greenlands  
Begumpet, Hyderabad – 500 016  
CIN No.

**LISTED AT:**

**BOOK CLOSURE:**

26.09.2013 TO 30.09.2013  
(BOTH DAYS INCLUSIVE)

**NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING**

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

**ORDINARY BUSINESS:**

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

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

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

BY ORDER OF THE BOARD /-

Place: Hyderabad  
Date: 02.09.2014

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

Sd/-  
P V.V.Satyanarayana  
Chairman

Notes:

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

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

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

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

**Item No.6 and 7**

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

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

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

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

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

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

## Listing Agreement.

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

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

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

### **Item No. 8:**

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

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

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

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

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

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



Inspection of Documents:

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

BY ORDER OF THE BOARD /-

Place: Hyderabad  
Date: 02.09.2014

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

Sd/-  
P V.V.Satyanarayana  
Chairman

## DIRECTORS REPORT:

To

The Members,

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

### FINANCIAL RESULTS:

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

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

### CONSOLIDATED PERFORMANCE:

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

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

shareholders. However, your Directors expresses confidence in the operational strengths of the company and skill sets of teams thus able to perform better in the following years.

#### RESEARCH AND DEVELOPMENT:

The Company continues to invest in innovating and developing state of the art technologies that are core for providing key solutions in different industry verticals of interest. This includes critical investments in:

- Comprehensive e-learning solutions project
- Improving in the e-Governance Executive Strengths
- Technology & Solutions for Shipping & Ports
- Technology & solutions for Insurance business

A big thrust was made in the past three years in the aforesaid areas in R&D. In the space of e-learning, big strides have been possible 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.

The Directors hope that the R & D initiatives made by the company will yield good results and boost up the revenues of the company in the coming years.

#### DEPOSITS:

The Company has not accepted any deposits from the public under section 73 of the Companies Act, 2013, during the year.

#### AUDITORS:

M/s Balaji Viswanath & Co., Chartered Accountants, Hyderabad, the Company's Auditors' retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 141 of the Companies Act, 2013.

In accordance with the provisions of Section 139 of the Companies Act, 2013 and Rules made there under, your Board of Directors recommends their re-appointment for a term of three years from the conclusion of 17<sup>th</sup> Annual General Meeting till the conclusion of the 20<sup>th</sup> Annual General Meeting subject to ratification every year, by the shareholders at every Annual General Meeting.

#### SUBSIDIARIES AND DISINVESTMENT:

The following are the subsidiaries of the Company:

1. SPRY Resources India Pvt. Ltd
2. CTIL Infrastructure Pvt. Ltd.
3. CTIL Media Pvt. Ltd.
4. CTIL Hong Kong Limited

During the year 2013-14, the company has divested 11% stake in M/s ACE BPO Services Pvt. Ltd., which ceases to be a subsidiary of the Company.

## CONSOLIDATION OF FINANCIAL STATEMENTS:

As prescribed by Accounting Standards 21 read with Accounting Standard 23 issued by the Institute of Chartered Accountants of India, consolidation of Financial Statement of Subsidiaries of the company, have been prepared on the basis of Audited Results received from the subsidiary companies as approved by their respective Boards.

## ACCOUNTS AND FINANCIAL STATEMENTS OF SUBSIDIARIES:

Ministry of Corporate Affairs, New Delhi, vide Circular No: 5/12/2007-CL-III dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 from the requirement to attach detailed financial statement of each of the Subsidiaries of the company. Pursuant to the said Circular, the Board of Directors of the company gave their consent for not attaching the Balance Sheets of the subsidiary Companies to the Annual Accounts of your company / this Annual Report, for the year ended 31.03.2014.

Accordingly, the Balance Sheets and other financial statements relating to the following subsidiary companies are not attached to the Annual Accounts of the Company / in this Annual Report.

1. SPRY Resources India Pvt Ltd.
2. CTIL Infrastructure Pvt Ltd.
3. CTIL Media Pvt. Ltd
4. CTIL Hongkong Limited

However, pursuant to the provisions of Section 212 of the company's Act 1956, a statement containing details of interest of holding company in its subsidiary companies is appended to this Report.

Any member who wish to have information on any of the subsidiary Companies may send his / their / request to the company, so that the same could be forwarded. Further performance and financial position of each of the subsidiary companies is included in the consolidated financial statements.

## CHANGES IN THE SHARE CAPITAL

The Company has only one class of Share Capital i.e. Equity Share Capital. The Authorised Share Capital of the Company presently stands at Rs.50.00 Crores divided into 5,00,00,000 equity shares of Rs.10/- each. The paid up capital of the company for the year 2013-14 stands at Rs. 30,77,07,570/- and the paid up capital for the previous year 2012-13 stands at Rs.26,21,55,540/-. The reconciliation of the Share Capital has been provided under notes to the Balance Sheet of the company.

However as a measure of prudence, details of further issues resulting in the increase of capital are given here. During the year, 45,55,203 equity shares of Rs. 10 each at a premium of Rs.17/- per share, have been allotted to the promoters and to selected persons other than the Promoters and Promoter Group companies on preferential issue basis, which represented the increase in paid-up capital of Rs.4,55,52,030 during 2013-14.

## DIRECTORS:

### Resignation of Directors:

01. Mr. GSS Prasad, tendered resignation from the Directorship on account of personal reasons and the same which was accepted by the Board of Directors on 15.07.2013
02. Mr. P. Guru Krishna, resigned from the Directorship on account of personal reasons and it which was accepted by the Board of Directors on 14.11.2013

The Board wishes to acknowledge the valuable services rendered by all the above persons during their tenure as Directors, to the company.

### Re-appointment of retiring Directors:

01. Mr.PVV Satyanarayana, Director retiring by rotation at the 17<sup>th</sup> Annual General Meeting and being eligible, has offered himself for reappointment.
02. Mr. Raj Nagesh Kosaraju, Director retiring by rotation at the 17<sup>th</sup> Annual General Meeting and being eligible, has offered himself for reappointment.
03. Mr. Ramesh Koritala, Director retiring by rotation at the 17<sup>th</sup> Annual General Meeting and being eligible, has offered himself for re appointment.

### Independent Directors:

Mr. Nandipati Venkata Simhadri and Mr. Sanjeev Sharma, who were inducted as Additional Directors on to the Board w.e.f 24.12.2013 and 08.02.2014 respectively would hold office upto the date of the ensuing Annual General Meeting . Mr. Nandipati Venkata Simhadri and Mr. Sanjeev Sharma, the Additional Directors and Mr. M.Balarama Krishnaiah, Director of the company, having submitted necessary consents to act as Director and declarations to the company informing that they meet the criteria of independence, are seeking appointment as Independent Directors, at the meeting.

The Board recommends consideration and approval by the Members, for the re-appointment as Directors retiring by rotation, appointment of those who cease to hold office at the Annual General Meeting (as they were appointed before as the Additional Directors during the year) and appointment of Mr. M. Balarama Krishnaiah, Director, as the Independent Directors as proposed in the Notice of the Annual General Meeting.

### Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

NAME	Mr. PVV Satyanarayana	Mr. Raj Nagesh Kosaraju	Mr. Ramesh Koritala	Mr. M.Balarama Krishnaiah,	Mr. N V Simhadri	Mr. Sanjeev Sharma
1	2	3	4	5	6	7
Date of Birth	16.05.1963	13.06.1961	26.06.1966	04.08.1950	01.08.1952	11.03.1973
Date of Appointment	17.01.2008	31.10.2007	02.09.2011	15.10.2012	24.12.2013	08.02.2014
Qualifications	CA, ICWA	MBA,MS	B.Com, CA, (Final)	CA	B.Com, LLB	BA, MCA

Nature of experience in specified functional area	Finance & Admin.	Finance, Projects and Admn.	Finance and Admn.	Finance	Legal, Secretarial and Finance	Project, Admn. & Finance
No. of Shares held in the company	NIL	NIL	NIL	NIL	NIL	NIL
Members of the Committee of Board of Directors of the company	1					
Directorships held in other companies (excluding private limited and foreign companies)	Thirthankar Infra Ltd	NIL	NIL	EBC Bearing (India) Ltd Phytochem (India) Ltd	NIL	NIL

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of Clause © of sub-sections 3 and (5) of section 134 of the Companies Act, 2013 , your Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- b) That the directors had 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 and Loss of the Company for that period.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts on a going concern basis;
- e) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively., and
- f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF EMPLOYEES:**

There is no employee who is falling under Rule 5 (2) of Companies( Appointment and Remuneration) Rules, 2014. Therefore, the disclosures required to be made here under are not applicable.

#### **CODE OF CONDUCT:**

The Code of Conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. Code of Conduct has also been placed

on the website of the company. A declaration signed by the Executive Director is given in Annexure.

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

The required information as per Sec.134 (3) (m) of the Companies Act, 2013 is provided hereunder

### *Conservation of Energy:*

The Operations of the Company are not energy-intensive. However to ensure reduction in consumption of energy, your Directors are constantly evaluating new technologies, mechanism, investments to make infrastructure more energy efficient.

Some of the energy conservation initiatives initiated:

- 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 been constantly upgrading its technology to the latest in the 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 ultimately be passed on to the company in terms of increase in revenues and business prospective.

D. Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

	2013-14	2012-13
Foreign Exchange Earnings	683.97	1404.41
Foreign Exchange Outgo	0.21	0.78

## **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 of the efforts, dedication and active participation of employees in various initiatives taken by the company during the year under review:

## **ACKNOWLEDGEMENTS:**

Your Directors express their heartfelt gratitude and thanks to the Company's Bankers, Shareholders, customers and various Central and State Government Agencies, Local Authorities for their continued support during the year. Your Directors also wish to place on record their sincere appreciation of unstinted support and co-operation extended by all the personnel at various levels of the Organization. Company's growth was made possible by the hard work, solidarity, co-operation and support of the employees all along. Your Directors look forward for the same in the years to come and wish to maintain whole hearted continuing relationship with all of them.

Place: Hyderabad  
Date:02.09.2014

BY ORDER OF THE BOARD  
For CTIL LIMITE

Sd/-  
P.V.V.Satyanarayana  
Chairman

Sd/-  
P.Obul Reddy  
Executive Director



Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in subsidiary companies as at 31<sup>st</sup> March, 2014

( Rupees in Lakhs)

SL. NO.	PARTICULARS	NAME OF THE SUBSIDIARY			
		SPRY Resources (I) Pvt Ltd	CTIL Infra Pvt. Ltd.	CTIL Media Pvt. Ltd	CTIL Hongkong Ltd
1.	Financial year ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014
2.	a) Number of equity shares held by CTIL Ltd	16,50,000	4,99,640	10,000	3,54,695
	b) Extent of Interest of CTIL Ltd (in %)	55%	100%	100%	100%
3.	a) Net Profit of subsidiary in so far as it concerns the Members of Holding company. (Majority Interest)	3.82	9.26	-----	54.65
	b) Net Profit in so far it does not relate to the Members of Holding company (Minority Interest)	3.12	-----	-----	-----

Place: Hyderabad  
Date:02.09.2014

BY ORDER OF THE BOARD  
For CTIL LIMITE

Sd/-  
P.V.V.Satyanarayana  
Chairman

Sd/-  
P.Obul Reddy  
Executive Director

Particulars of subsidiaries as at 31.03.2014 in terms of Circular No: 5/12/2007-CL-III dt. 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs, Government of India, New Delhi, pursuant to Section 212(8) of the Companies Act, 1956

(Rs. in Lakhs)

SL. NO.	PARTICULARS	NAME OF THE SUBSIDIARY COMPANY				REMARKS
		SPRY Resources (I) Pvt Ltd	CTIL Infra Pvt Ltd	CTIL Media Pvt Ltd	CTIL Hongkong Ltd	
1.	Equity Share Capital Share Application Money	300.00 ---	4.99 ---	1.00 9.00	27.88 ----	
2.	Reserves	344.82	273.90	-----	393.71	
3.	Total Assets (Including CWIP) and Expenditure pending allocations	1494.28	1160.37	13.22	434.38	
	a) Fixed Assets	337.40	45.49	6.88	0.21	
	b) Current Assets	1156.87	1114.87	6.33	434.17	
	c) Misc. Expenditure (to the extent not written off / adjusted ) & Profit and Loss Account debit balance	-----	-----	-----	-----	
4.	Total Liabilities	1494.28	1160.37	13.22	434.38	
	a) Loans secured and un secured	656.48	72.22	-----	-----	
	b) Current Liabilities and provisions	242.67	809.25	3.22	12.79	
5.	Investments (other than Investment in subsidiaries)	-----	-----	-----	-----	
6.	Turnover / Other Income	97.14 -----	3623.12 1.26	----- -----	374.07 -----	
7.	Profit / (Loss) before Taxation	10.06	9.26	-----	64.60	
8.	Provisions for Taxation	3.12	2.86	-----	9.94	
9.	Profit / (Loss) After Tax	6.94	6.40	-----	54.66	
10.	Proposed Dividend	-----	-----	-----	-----	

Place: Hyderabad  
Date:02.09.2014

BY ORDER OF THE BOARD  
For CTIL LIMITE

Sd/-  
P.V.V.Satyanarayana  
Chairman

Sd/-  
P.Obul Reddy  
Executive Director

## REPORT ON CORPORATE GOVERNANCE

The Company's Equity Shares are listed on the Bombay Stock Exchange Limited and in terms of Clause 49 of the Listing Agreement of the Stock Exchange, Compliance Report on Corporate Governance along with the Certificate of Statutory Auditors is given in the Report.

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 the 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, and a growth of business partners (customers and suppliers), employees and investor wealth as well as increased societal development at large.

### **1. CORPORATE PHILOSOPHY:**

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 stakeholders, employees, Government, Institutions, Banks, Suppliers, customers etc.,

### **Company's philosophy on Corporate Governance further:**

- Ensures the Quantity, Quality Frequency of Financial and Managerial Information, which management shares with the Board, and further places the Board members in control of the Company's affairs.
- Ensures that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensures that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensures that the decision making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board / Committee thereof.
- Ensures 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.
- Ensures that the core values of the company are protected;

- Ensures 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:

### Board Composition:

The Board comprises of, one Non Executive Director as a Chairman, Two Executive Directors, Seven Non-Executive cum Independent Directors and the same 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 total Nine Directors, as detailed in the table below:

SL.NO	NAME	DESIGNATION	CATEGORY
01.	P V V Satyanarayana	Chairman	Promoter, Non-Executive
02.	M.Balararam Krishnaiah	Director	Independent, Non-Executive
03.	G.Madhava Rao	Director	Non- Executive- Independent
04	K. Ramesh	Director	Executive ,
05	P Obul Reddy	Director	Executive
06.	Raj Nagesh Kosaraju	Director	Non-Executive –Independent
07	K.Bhavani Prasad	Director	Non- Executive Independent
08	NV Simhadri	Additional Director	Non Executive Independent
09	Sanjeev Sharma	Additional Director	Non Executive Independent

### Meetings held:

During the year ended 31<sup>st</sup> March, 2014, 10 Meetings of the Board of Directors were held on the dates 13.05.2013, 15.07.2013, 30.07.2013, 05.08.2013, 14.08.2013, 04.09.2013, 14.11.2013, 24.12.2013, 08.02.2014, 14.02.2014. The company placed before the Board the Audited and Un-audited financial results, performance and future plans of the company and its subsidiaries from time to time. Also, all material and important information, was placed before the Board. 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 AGM	“No of other Directorships in other public companies	Committee positions in other public companies	
				Chairman	Member
PVV Satyanarayana	10	Yes	1	1	1
GSSPrasad	1				
G.Madhava Rao	6	Yes			
K.Bhavani Prasad	5	No			
Sanjeev Sharma	2	No			
Raj Naresh Kosaraju	7	No			

K. Ramesh	10	Yes			
NVSimhadri	3	No			
P Obul Reddy	10	Yes	1		
P.Guru Krishna	6	No			
M.Balarama Krishnaiah	9	No			
P Jagadeesh Babu	6	No			

### 3. COMMITTEES OF THE BOARD

#### A. **Audit Committee:**

1. The Audit Committee was 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 has been reconstituted and terms of reference enlarged to bring in line with the provisions of the Companies Act, 2013 and the revised clause 49 of the Listing Agreement.

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 consistent follow-ups thereon.

#### (ii) **Composition:**

The Audit Committee presently comprises 3 Members who are all Non-Executive and Independent Directors

During the year, the Committee held (4) meetings i.e. on 29.05.2013, 13.08.2013, 13.11.2013, 13.02.2014 .

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

Name of Member	Status	No.of Meetings attended
K. Bhavani Prasad	Chairman	2
M. Balrama Krishnaiah	Member	4
Raj Nagesh Kosaraju	Member	3

## B. Nomination and Remuneration Committee:

i.) The existing Remuneration committee is re-designated as a Nomination and Remuneration Committee, and reconstituted for the following:

### Terms of Reference:

1. Formulate and recommend to the Board a Remuneration policy relating to the remuneration for the Directors, key managerial personnel and other employees as per Section 178 (1) of the Companies Act, 2013 and review / modify the same from time to time.
2. To review, assess and recommend the appointment of executive and non- executive Directors key managerial personnel 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, 2013, to consider and recommend Employees Stock Option Schemes from time to time and to administer and superintendence over the same.
3. To recommend / approve the fixation / revision of remuneration of the Managing Director/Whole Time Director or other key Managerial employees of the Company and while recommending / approving, the Committee will.
  - take into account the financial position of the Company, trends in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
4. Formulate criteria for determining qualifications, positive attributes and independence of a director and review/ modify the same from time to time.
5. Identify persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment and removal.
6. Carry out evaluation of every director's performance.
7. Devising a policy on Board diversity.

To select, retain and terminate the services of any consultant who shall assist the committee in discharging its functions.

### (ii) Composition:

This 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
N.V.Simhadri	Chairman	1
Khale Bhavani Prasad	Member	4
Raj Nagesh Kosaraju	Member	4

### III. **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 31<sup>st</sup> March, 2014 is given below:

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

b) Non Executive Directors:

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

### C. **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 share 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.
- Review of corporate actions related work.
- Letters / complaints were received and resolved to the satisfaction of the shareholders during the year under review.

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 Share Transfer Agents of the Company. The Company has not faced any litigation in respect of transfer / transmission of shares.

During the financial year 2013-14, 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 31.03.2014. The Board has designated Mr.K.Ramesh , Executive Director , as the Compliance Officer.

### D. **Stakeholders Relationship Committee:**

**a. Constitution and composition:**

The Stakeholders Relationship Committee has been constituted in accordance with the provisions of the Companies Act, 2013 and Revised Clause 49 of the Listing Agreement with the following Members.

Name of the Member	Status	No. of Meetings attended
PVV Satyanarayana	Chairman	1
Khale Bhavani Prasad	Member	1
Sanjeev Sharma	Member	1

**b. Terms of Reference:**

The terms of reference of the committee shall be matters, among others, that are considered necessary in relation to shareholders, investors, debentureholders, creditors and various other stakeholders of the company in relation to transfer of shares, non-receipt of declared dividends, non-receipt of balance sheet, complaints directly concerning the shareholders/ investors as stakeholders of the company but not limited to the above mentioned matters.

**4. DETAILS OF GENERAL BODY MEETINGS HELD:**

The location, date and time of the last three Annual General Meetings were held are as under

Financial-Year	Date	Time	Venue
2012-13	30 <sup>th</sup> September,2013	09.00 AM	Vasavi Club 6-1-91, 2 <sup>nd</sup> Floor, Vasavi Seva Kendram, Opp. Meera Theater, Khairtabad, Hyderabad – 500 004
2011-12	29 <sup>th</sup> September ,2012	09.00 AM	Vasavi Club 6-1-91, 2 <sup>nd</sup> Floor, Vasavi Seva Kendram, Opp. Meera Theater, Khairtabad, Hyderabad – 500 004
2010-11	30 <sup>th</sup> September ,2011	09.00 AM	Vasavi Club 6-1-91, 2 <sup>nd</sup> Floor, Vasavi Seva Kendram, Opp. Meera Theater, Khairtabad, Hyderabad – 500 004

**5. A. SPECIAL RESOLUTIONS PASSED DURING THE PREVIOUS 3 AGMS:**

1. Special Resolutions passed at the 16<sup>th</sup> AGM held on 30.09.2013 - Nil
2. Special Resolutions passed at the 15<sup>th</sup> Annual General Meeting held on 29.09.2012: NIL
3. Special Resolutions passed at the 14<sup>th</sup> Annual General Meeting held on 30.09.2011-:

(Special Resolution under section 81(1A) of the Companies Act, 1956 to issue, place 34,50,000 convertible warrants of Rs.10 each at a premium of Rs. 3 each to selected persons other than promoters.)

- B. Special Resolutions passed at the EGMs or through postal ballot from 01.10.2011 to 31.08.2014 are as under:**



- i) At the EGM held on 04.01.2012
  - a. Under Section 81(1A) of the Companies Act, 1956 (“the Act”) for allotment of 14,00,000 equity shares of Rs. 10/- each , at a premium of Rs. 6/- per share, on preferential basis.
  - b. Under Section 81(1A) of the Act, for allotment of 45,00,000 convertible share warrants of Rs. 10/- each , at a premium of Rs. 6/- per share, on preferential basis.
  
- ii) At the EGM held on 27.03.2012
  - a) For the appointment of Mr. Manish Bansal as Whole Time Director effective from 25.02.2012,
  - b) Under Section 81(1A) of the Act, for allotment of Zero Coupon Fully Convertible Debentures on preferential basis upto Rs.195.00 lacs to HT MEDIA LIMITED
  - c) Under Section 81 (1A) of the Act, for allotment of 59,00,000 equity shares of Rs. 10/- each , at a premium of Rs. 6.50 /- per share, on preferential basis
  - d) Under Section 81 (1A) of the Act, 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.
  
- iii) At the EGM held on 21.07.2012:
  - a. Under Sec 293 (1)(d) of the Act for increasing the borrowing powers up to Rs.1000 Crores
  - b. Under Sec 81 (1A) of the Act, 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 Act, 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 proposed allottees.

C) Special Resolutions passed through postal ballot:

- i) Through Postal Ballot Notice dated 14.08.2013
  - a) For alteration of objects Clause in the Memorandum of Association for the company taking up new business in Paper, Oil and Gas Industry,
  - b) 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,

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

ii) Through Postal Ballot Notice dated 14.11.2013;

1. Alteration of Objects Clause of the Memorandum of Association under section 17 of the Companies Act, 1956, to enable the company to carry on the business of cultivators, etc.,

iii) Through postal ballot notice dated 08.02.2014:

1. Alteration of the Objects Clause of the Memorandum of Association under section 17 of the Act, to enable the company to carry on the business of manufacturing, dealing in all kinds of paper, paper boards, etc
2. Approval under section 372 A of the Companies Act, 1956 for making inter-corporate investments, giving loans/ or providing guarantees upto an amount not exceeding Rs. 3000 crores.
3. Consent under section 81(1A) of the Act, for issuance of securities upto an amount not exceeding USD 50 million.
4. Consent under section 94 of the Act, to increase Authorised Capital from Rs. 50 crores divided into 5.00 crores of equity shares of Rs. 10 each to Rs. 260.00 crores divided into 26.00 crores equity shares of Rs.,10 each by altering Memorandum of Association of the company.

## 6. 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 31.03.2014:

--NIL--

(a) The Company has complied with all the mandatory requirements of the clause 49 relating to the Corporate Governance .

(b) 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 2014-15 ( Tentative and subject to change):

Financial reporting for the first quarter ending 30<sup>th</sup> June, 2014 : Between 1<sup>st</sup> and 15<sup>th</sup> of August, 2014.

Financial reporting for the second quarter ending 30<sup>th</sup> September, 2014: Between 1<sup>st</sup> and 15<sup>th</sup> of November, 2014

Financial reporting for the third quarter ending 31<sup>st</sup> December, 2014: Between 1<sup>st</sup> and 15<sup>th</sup> of February, 2015

Financial reporting for the fourth quarter ending 31<sup>st</sup> March, 2015: Between 1<sup>st</sup> and 15<sup>th</sup> of May, 2015.

#### 7.GENERAL SHARE HOLDERS INFORMATION:

a. Date of Incorporation : 22<sup>nd</sup> 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 INDIA LIMITED” w.e.f. 10.01.2000 and was subsequently changed to “CTIL LIMITED” w.e.f. 29.08.2012.

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

c. Date and time of the 17<sup>th</sup> AGM : 30<sup>th</sup> September, 2014, at 9.00 A.M.

d. Venue of the 17<sup>th</sup> AGM : Hotel Spice Touch  
8-2-309/7/3, Plot No.299, Road No: 14, Banjara Hills, Hyderabad, Telangana 500034

e. Financial Calendar : 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014.

f. Date of Book Closure : 26<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014

g. Dividend payment date : Not Applicable

h. Listing of Equity shares on Stock Exchange at:

The Bombay Stock Exchange Limited  
PHIROZE JEEJEBHOY 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 2013-14:

BOMBAY STOCK EXCHANGE:

(Rupees)

MONTH	HIGH	LOW
APRIL 2013	5.23	3.84
MAY 2013	4.78	3.38
JUNE 2013	4.18	2.8
JULY 2013	4.5	2.87
AUGUST 2013	5.2	2.7
SEPTEMBER 2013	5.88	5
OCTOBER 2013	5.5	4.54
NOVEMBER 2013	9.8	4.71
DECEMBER 2013	8.08	5.07
JANUARY 2014	6.37	3.85
FEBRUARY 2014	5	3.65
MARCH 2014	3.8	2.87

k. Registrar and Share Transfer Agent:

The address of the Registrar and Share Transfer Agent is given below:

Big Share Services Private Limited

Unit: CTIL LIMITED

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

G-10, Left Wing, Amrutha Ville, Opp: Yashodha Hospital

Somajiguda, Raj Bhavan, Hyderabad – 500 082

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

The Registrar and Share Transfer Agents (RTA) acknowledges and executes transfers of securities, arranges for issue of duplicates / split share certificates etc. The RTA also accepts, deals and resolves complaints of shareholders.

Share Transfer Systems: Share transfer 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.

1. Distribution of shareholding as on 31<sup>st</sup> March, 2014:

Range	Number of shareholders	% of shareholders	Number of shares	% of shares
Up to 5000	5292	71.3400	862706	3.0984
5001 – 10000	692	9.3287	617025	2.2160
10001 – 20000	385	5.1901	629182	2.2597
20001 – 30000	229	3.0871	597599	2.1463
30001 – 40000	92	1.2402	337764	1.2131
40001 – 50000	124	1.6716	596333	2.1417
50001 – 100000	236	3.1815	1829215	6.5696
100001 – 500000	268	3.6128	6343068	22.7809
500001 – 1000000	46	0.6201	3164724	11.3660
1000001- 5000000	49	0.6606	10092075	36.2454
5000001 – 10000000	5	0.0674	5701066	20.4752
TOTAL	7418		30770757	110.5122

m. Shareholding Pattern of the Company as on 31<sup>st</sup> of March, 2014:

Category	Number of Shares held	% of Total Shareholding
A. Promoters (Incl. Persons Acting in Concert)	4725597	15.36
B. Non Promoters		
i. NRI's / OCBs / FII's	61661	0.55
ii. Corporate Bodies	4830738	15.35
iii. Trusts	500	0.00
iv. Clearing Members	107589	0.35
v. Public (Individuals other than above)	21044672	68.39
Total:	30770757	100

n. Dematerialization of Shares;

The company's shares are traded in dematerialized form. As on 31<sup>st</sup> March, 2014, 82.53% of the company's total shares representing 25395779 shares were held in dematerialized form and the balance 17.47% representing 5374978 shares were in Physical form.

o. 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)**  
**G-10, Left Wing, Amrutha Ville, Opp: Yashoda Hospital**  
**Somajiguda, Raj Bhavan, 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 4<sup>th</sup> Floor, My Home Tycoon, Life Style Building, Greenlands, Begumpet, Hyderabad – 500 016, E-mail at : [investor-relations@compulearntech.com](mailto:investor-relations@compulearntech.com).

Place: Hyderabad  
 Date: 02.09.2014

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

Sd/-  
 P V V Satyanarayana  
 Chairman

Sd/-  
 P. Obul Reddy  
 Executive Director

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

### **ECONOMIC OVERVIEW:**

#### **GLOBAL ECONOMY VIS-À-VIS INDIAN ECONOMY:**

Till the recent past, Global economics majorly developed, underdeveloped and developing economies have witnessed longest recessionary cycles triggered by outburst of M/s. Lehman Bros., the oldest company in US and few other bitter events in US and other economies. However, the strategies adopted by Governments and Central Banks of advanced economies such as US, UK Germany, France etc., have helped Global Economy for revival and gradual strengthening.

During the year 2013 developed economies have got shy of relief with gradual strengthening of their economies while developing Nations picked-up growth momentum, however, key emerging markets such as Brazil, China, and India continued to witness demand slowdown during the year 2013.

As per IMF's WEO, the Global GDP in the year 2013 has marginally, moderated to 3.0% from 3.2% in 2012.

The year 2013-14 has been a challenging year for the Indian economy in general and the Indian Industry in particular which has been suffered badly due to a host of macro-economic variants such as high inflation, high interest rates, sluggish economic conditions and depressed demand resulting in low GDP. As per provisional estimates of Central Statistics Office (CSO), the Indian Economy is expected have grown at 4.7% during the financial year 2013-14. Government estimates GDP growth rate at 504% to 509% for the year 2014-15.

CTIL operates majorly in geographies like US, UK, Singapore, Hong Kong and Middle East countries. Economy of these countries started growing strongly leaving goods scope for the sizable investments and spending software sector. The company therefore hopes for the good growth of business from these markets.

Looking way forward, the growth and developed economies expected strengthen considerably during the year 2014-15, which translates into higher corporate investments and spending on all the sectors and software sector too.

### **BUSINESS ANALYSIS:**

CTIL Limited has a sustainable business model with focus on e-governance e-learning ITES services and solutions and software development for select sector. During the year 2013-14, there was more than 50% decline in revenues on standalone basis from the previous year 2012-13. This was mainly due to severance of ties with the Comp-u-Learn Middle East FZC, a Dubai based subsidiary, which resulted into a loss of business and resources in the middle east countries. Further, the severance of business association with Astus Technologies INC, USA, US based subsidiary, contributed to decline revenues and resultant paltry net profits for the financial year 2013-14.

However the operation of the company in other geography was not affected though there had been significant decline in net profit during the year 2013-14 comparatively previous year 2012-13. Mainly there are two reasons for declining net profits: firstly, declining revenues as explained herein before and secondly, excessive operational overheads on account of sharp increase in cost of inputs in-relation to fixed price contracts completing of which was inevitable for retaining customers and image in the market.

However, as the business verticals of the company are so strong and resourceful that the company plans to shift focus in order to strike balanced business leverages for business growth and Financial leverages for financial growth in the years to come. Thus key focus will be on improvement in performance in present areas and geographies, while tapping new business prompt new business verticals such as Insurance sector, Ports, Railways, Pharmaceuticals etc.,

Added to the above, company plans to install cost control measures wherever necessary in operational areas where by profit margins could be improved.

#### BUSINESS OUTLOOK AND PROSPECTS:

- A shift in companies focus from developed geography to under developed, developing and emerging markets.
- Continue the drive on outsourcing business which augments multiplication of revenues during the year 2014-15.
- Key focus on cost and operational efficiencies so as to improve the performance and profit margins as well.
- The company will continue to focus on major growth drivers in order to add multiples to the revenues which translate into business growth.
- To ensure business growth through additional measures such as value added services and solutions, higher efficiency and productivity etc.,

#### STRATEGIC BUSINESS GROWTH:

1. The company plans strategic business growth through foray into new business segments like solutions for Insurance sector, Railways, Ports, Defense and Pharmaceuticals.
2. The Company had 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.

### 3. **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.

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

### **FUTURE OUTLOOK:**

Though there had been declining in revenues in profits in the 2013-14 with the shift in business focus from developed geographies to under developed and developing, other growth strategies explain herein before, company expects better performance, operational



efficiency and sizable growth during the year 2014-15. Presently focused areas on e-governance, e-learning, software development and solution for manufacturing sector etc,. Company plans to lay thrust on e-base real estate space, software development, solutions, services for Insurance, Engineering, Ports, Railways, Defense, Agriculture and Pharmaceutical sectors. Further continuing the drive on online education, a major growth driver of the company. Online education at CTIL developed and built upon 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 it as 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 intense to leverage business development and growth with effective risk management policy and mitigation measures that the company has lay down in its risk management policy.

### **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

- The company has created risk management team to study the risks involved / associated with the business and furnished to the management detailed analysis of various risks and mitigation of the same.

#### **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.

#### **CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANGEMENT:**

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.

Place: Hyderabad  
Date: 02.09.2014

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

Sd/-  
P V V Satyanarayana  
Chairman

Sd/-  
P. Obul Reddy  
Executive Direcor

## **EXECUTIVE DIRECTOR CERTIFICATION:**

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

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 ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief:
  - ii. 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.
- b. 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.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I 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.
- d. I have indicated to the auditors and the Audit Committee that there are no
  1. Significant changes in internal control over financial reporting during the year.
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. 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.
- e. I affirm that I 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.
- f. 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)

(P. Obul Reddy)  
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 2014, 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 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: 2nd September'2014

For BALAJI VISWANATH & CO  
CHARTERED ACCOUNTANTS

Sd/-  
(B. Balaji Viswanath)  
Proprietor.  
Membership No :029357

# INDEPENDENT AUDITORS' REPORT

TO

The Members of

**CTIL 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, 2014, 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 31,2014;
- 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, 2014, and taken on record by the Board Directors, none of the director is disqualified as on March 31, 2014, 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)

Sd/-

B Balaji Viswanath & Co  
Proprietor  
M.No. 029357  
Place: Hyderabad  
Date : 29/05/2014

## **ANNEXURE**

### **Re : CTIL 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 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, 2014 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)

Sd/-  
B Balaji Viswanath & Co  
Proprietor  
M.No. 029357

Place: Hyderabad  
Date : 29/05/2014

**CTIL LIMITED**  
Formerly COMP-U-LEARNTECH INDIA LIMITED  
6-3-1192, 4TH FLOOR, MY HOME TYCOON, GREENLANDS  
BEGUMPET, HYDERABAD - 500016

**BALANCE SHEET AS AT 31st MARCH, 2014**

(Amount in Rupees)

	Particulars	Note No.	As At March 31, 2014	As At March 31, 2013
I	<b><u>EQUITY AND LIABILITIES:</u></b>			
1	<b>Shareholders funds</b>			
	(a) Share Capital	2	307,707,570	262,155,540
	(b) Reserves and Surplus	3	156,968,350	127,271,254
2	<b>Share application money pending allotment</b>		-	39,645,000
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	15,422	70,248
	(b) Deferred tax Liability (net)		1,167,183	1,319,748
	(c) Other Long term liabilities	5	27,783,510	27,783,510
	(d) Long-term provisions		-	-
4	<b>Current Liabilities</b>			
	(a) Short-term borrowings	6	105,043,691	98,534,200
	(b) Trade payables		12,254,507	10,299,357
	(c) Other current liabilities	7	21,777,928	49,466,443
	(d) Short-term provisions	8	264,015	334,214
	<b>TOTAL</b>		<b>632,982,176</b>	<b>616,879,514</b>
II	<b><u>ASSETS:</u></b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	1,993,812	3,306,151
	(ii) Intangible assets		53,507,538	61,347,101
	(iii) Capital work - in - progress			
	(b) Non-current Investments	10	113,363,600	113,363,600
	(c) Deferred tax assets (net)		-	-
	(d) Long- Term Loans and advances		-	-
2	<b>Current assets</b>			
	(a) Inventories	11	38,937,200	34,735,350
	(b) Trade Receivables	12	338,354,614	324,211,045
	(c) Cash and bank balances	13	17,466,814	15,494,038
	(d) Short -term loans and advances	14	68,894,438	63,958,069
	(e) Other current assets	15	464,160	464,160
	<b>TOTAL</b>		<b>632,982,176</b>	<b>616,879,514</b>
	Significant Accounting policies and notes to accounts	1 to 35		
As per our Report of even date for <b>Balaji Viswanath &amp; Co,</b> Chartered Accountants.		For and on behalf of the board		
Sd/- <b>B.Balaji Viswanath</b> Proprietor M.No. 029357 Place : Hyderabad Date : 29-05-2014		Sd/- <b>PVV Satyanarayana</b> Chairman	Sd/- <b>P.Obul Reddy</b> Executive Director	

**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 PERIOD ENDED 31st MARCH 2014**

(Amount in Rupees)

			As At March 31, 2014	As At March 31, 2013
	Particulars	Note No.		
I	Revenue from operations	16	68,397,620	140,440,858
II	Other Income	17	-	-
III	Total Revenue (I+II)		68,397,620	140,440,858
IV	Expenses:			
	a) (Increase)/Decrease in Inventory	18	(4,201,850)	3,730,000
	b) Operating Expenses	19	40,972,700	102,591,650
	c) Employee benefit Exepense	20	9,429,472	9,846,331
	d) Finance Costs	21	10,092,722	10,564,322
	e) Depreciation and amortisation expense	10	1,312,339	2,115,330
	f) Other Exepenses	22	10,666,922	11,021,613
	Total Expenses		68,272,305	139,869,246
V	Profit before tax (III-IV)		125,315	571,612
VI	Tax Expense:			
	(a) Current tax	23	38,722	108,921
	(b) Deferred Tax		(152,565)	(445,214)
			(113,843)	(336,293)
VII	Profit / (Loss) for the period (V-VI)		239,158	907,905
VIII	Earnings per equity share: (Face value of Rs.10/- each)			
	(1) Basic		0.01	0.03
	(2) Diluted		0.01	0.03
	Significant accounting policies and notes to accounts	1 to 35		
As per our Report of even date for <b>Balaji Viswanath &amp; Co,</b> Chartered Accountants.		For and on behalf of the board		
Sd/- <b>B.Balaji Viswanath</b> Proprietor M.No. 029357 Place : Hyderabad Date : 29-05-2014		Sd/- <b>PVV Satyanarayana</b> Chairman	Sd/- <b>P.Obul Reddy</b> Executive Director	

**CTIL LIMITED**  
Formerly COMP-U-LEARNTECH INDIA LIMITED  
Notes to accounts

**NOTE NO: 2 - SHARE CAPITAL:**

Particulars	As At March 31, 2014		As At March 31, 2013	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	50000000	500000000	50000000	500000000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 10/- each fully paid up	30770757	307707570	26215554	262155540
(Refer footnote (a) to (c) below)				
<b>Total</b>	<b>30770757</b>	<b>307707570</b>	<b>26215554</b>	<b>262155540</b>

**Footnote:**

**(a) Reconciliation of the number of shares outstanding as at March 31, 2014 and March 31, 2013:**

Particulars	As At March 31, 2014		As At March 31, 2013	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	26215554	262155540	22385554	223855540
Equity Shares Issued during the year	4,555,203	45,552,030	3830000	38300000
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	30770757	307707570	26215554	262155540

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

Particulars	As At March 31, 2014		As At March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Pinnamaneni Holdings Pvt. Ltd	3925597	12.76%		

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

Particulars	As At March 31, 2014		As At March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	-	-	-	-

# CTIL LIMITED

Formerly COMP-U-LEARNTECH INDIA LIMITED

Notes to accounts

## NOTE NO: 3 - RESERVES AND SURPLUS:

Particulars	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
<b>i) Securities Premium reserve</b>		
Opening Balance	143699418	118804418
(+) Additions during the year	23912109	24895000
Closing Balance	<b>167611527</b>	<b>143699418</b>
<b>ii) General Reserve</b>		
Opening Balance	4,518,761	4518761
(+) Share application on warrants forfeited	5545829	0
Closing Balance	<b>10,064,590</b>	<b>4518761</b>
<b>iii) Surplus</b>		
(+) Additions for the year	-20946925	-21854830
(-) Appropriations	239158	907905
Closing Balance	<b>-20707767</b>	<b>-20946925</b>
<b>Total ( a + b+c)</b>	<b>156968350</b>	<b>127271254</b>

## NOTE : 4 - LONG TERM BORROWINGS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
<b>Secured Loans</b>		
Term Loans		
From Financial Institutions		
- Magma Finance Corporation Limited	15422	70,248
Hypothecation Loans		
From Banks		
- Uco Bank	-	-
(Refer foot note (a) to (c) below)		
	<b>15422</b>	<b>70248</b>

### 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

**NOTE NO: 5 - OTHER LONG TERM LIABILITIES:**

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	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
	<b>27,783,510</b>	<b>27,783,510</b>

**NOTE NO: 6 - SHORT TERM BORROWINGS:**

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
<b>Working Capital Loans from banks</b>		
i) Uco Bank - Packing Credit	35,648,090	35,748,590
ii) UCo Bank - FBP	69,395,601	62,785,610
(Security details refer foot note below)		
	<b>105,043,691</b>	<b>98,534,200</b>

**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, 2014	As At March 31, 2013
	Rupees	Rupees
(a) Share Application Money		
(b) Share Warrant Application Money	-	21,432,383
(c) Interest accrued but not due	-	-
(d) Statutory dues payable	465,227	1,083,710
(e) Expenses Payable	21,275,871	26,871,366
(f) Vehicle Loan instalments due in the next 12 Months	36,830	78,984
	<b>21,777,928</b>	<b>49,466,443</b>

CTIL LIMITED  
Notes to accounts

NOTE NO: 8 - SHORT-TERM PROVISIONS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
(a) Provision for Income tax	264,015	334,214
(b) Provision for Expenses		
	<b>264,015</b>	<b>334,214</b>

NOTE NO: 10 - NON-CURRENT INVESTMENTS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
<b>Long term investments in Equities</b>		
<b>Unquoted---Subsidiaries</b>		
-Ace BPO Services Private Limited	29,000,000	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
-Pinnamaneni Holdings Private Limited	7,000,000	-
	<b>113,363,600</b>	<b>113,363,600</b>

NOTE NO: 11 - INVENTORIES:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
a) Work in process in respect of partly executed projects	38,937,200	34,735,350
	<b>38,937,200</b>	<b>34,735,350</b>

NOTE NO: 12 - TRADE RECEIVABLES:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
(Unsecured and considered good)		
(a) Debts outstanding for more than six months	305,478,094	226,025,795
(b) Other debts	32,876,520	98,185,250
	<b>338,354,614</b>	<b>324,211,045</b>

CTIL LIMITED  
Notes to accounts

NOTE NO: 13 - CASH AND CASH EQUIVALENTS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
(a) Cash and cash equivalents:		
(i) Balances with banks;		
(1) In Deposit Accounts	17,076,803	15,345,682
(2) In Current Accounts	-	-
(3) Cheques on Hand	-	-
(ii) Cash on hand	390,011	148,356
(b) Other bank balances:		
In Deposit Accounts	-	-
	<b>17,466,814</b>	<b>15,494,038</b>

NOTE NO: 14 - SHORT TERM LOANS AND ADVANCES:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
(Unsecured and considered good)		
(a) Loans to related parties	61,165,988	34,416,569
(b) Deposits	56,500	56,500
(c) Other advances & Receivables	7,671,950	29,485,000
	<b>68,894,438</b>	<b>63,958,069</b>

NOTE NO: 15 - OTHER CURRENT ASSETS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
(a) Advance Tax and TDS	464,160	464,160
	<b>464,160</b>	<b>464,160</b>



CTIL LIMITED  
Notes to accounts

NOTE NO: 16 - REVENUE FROM OPERATIONS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Income from Software Development	68,397,620	140,440,858
	68,397,620	140,440,858

NOTE NO: 17 - OTHER INCOME:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Interest Income	-	-
Exchange rate differences	-	-
Website Development Charges	-	-
	-	-

NOTE NO: 18 - CHANGES IN INVENTORIES:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Closing Stock	38,937,200	34,735,350
Less: Opening Stock	34,735,350	38,465,350
	4,201,850	(3,730,000)

NOTE NO: 19 - OPERATING EXPENSES:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Software Development Charges	40,972,700	61,364,200
Computer Consumables	-	584,422
Exchange rate differences	-	565,752
Salaries	-	39,792,407
Computers, electrical and other hardware Maintenance	-	284,869
	40,972,700	102,591,650

NOTE NO.20 - EMPLOYEE BENEFIT EXPENSE:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Salaries, wages and bonus	8,494,722	8,547,655
Staff Welfare	214,750	578,676
Directors Remuneration	720,000	720,000
	9,429,472	9,846,331

CTIL LIMITED  
Notes to accounts

NOTE NO: 21 - FINANCE COSTS:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
(a) Interest Expenses		
- on working capital loans	10,057,222	10,454,441
-on TDS	-	-
- others	-	51,535
(b) Other borrowing costs		
- Bank Charges	35,500	58,346
	10,092,722	10,564,322

CTIL LIMITED  
Notes to accounts

NOTE NO: 22 - OTHER EXPENSES:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Advertisement & publicity	28,481	46,721
Audit fee & certification charges	168,540	168,540
Board Meeting Expenses	56,840	215,415
Business Promotion/Marketing Expenses	69,624	105,496
Certification Expenses	30,000	25,000
Directors Sitting Fee	150,000	185,000
Electricity	276,320	268,266
General Meeting Expenses	44,650	84,985
Insurance	-	402,793
Internet	62,853	48,000
Miscellaneous Expenses Written off	7,839,563	7,839,563
Office Maintenance	184,996	164,448
Petrol and diesel	105,695	111,980
Postage & Courier Service charges	94,982	174,550
Printing & Stationery	89,623	204,581
Licenses, Rates & Taxes	124,041	484,050
Security Charges	35,410	69,600
Telephone Charges	64,516	124,428
Travelling & conveyance	1,240,788	298,197
	10,666,922	11,021,613

NOTE NO: 23- CURRENT TAX:

PARTICULARS	As At March 31, 2014	As At March 31, 2013
	Rupees	Rupees
Current tax	38,722	108,921
Less: MAT credit entitlement	-	
Net Current tax	38,722	108,921

**CTIL LIMITED**

Formerly COMP-U-LEARNTECH INDIA LIMITED

Notes to accounts

NOTE NO: 9 : FIXED ASSETS:

S.NO.	PARTICULARS	GROSS BLOCK						DEPRECIATION BLOCK			NET BLOCK	
		AS AT 01.04.2013	Additions During the Year	Deletions	AS AT 31.03.2014	UPTO 01.04.2013	FOR THE PERIOD	Deletions	UPTO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013	
1	Furniture & Fittings	24,031	-	-	24,031	24,031	-	-	24,031	-	-	
2	Computer - Hardware	27,164,379	-	-	27,164,379	24,158,258	1,202,448	-	25,360,706	1,803,673	3,006,121	
3	Computer - software	9,796,398	-	-	9,796,398	9,796,398	-	-	9,796,398	-	-	
4	Electrical Fitting	293,941	-	-	293,941	244,945	6,815	-	251,760	42,181	48,996	
5	Plant & machinery	110,946	-	-	110,946	99,540	1,587	-	101,127	9,819	11,406	
	a) Electrical & Related Equip	23,492	-	-	23,492	23,492	-	-	23,492	-	-	
	b) Office Equipment	392,000	-	-	392,000	152,372	101,489	-	253,861	138,139	239,628	
6	Vehicle											
	<b>TOTAL</b>	<b>37,805,187</b>	<b>-</b>	<b>-</b>	<b>37,805,187</b>	<b>34,499,036</b>	<b>1,312,339</b>	<b>-</b>	<b>35,811,375</b>	<b>1,993,812</b>	<b>3,306,151</b>	
	<b>PREVIOUS YEAR</b>	<b>37,805,187</b>	<b>-</b>	<b>-</b>	<b>37,805,187</b>	<b>32,383,706</b>	<b>2,115,330</b>	<b>-</b>	<b>34,499,036</b>	<b>3,306,151</b>	<b>5,421,481</b>	

Amount in Rs

## CTIL LIMITED

### CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2014

Particulars	31.03.2014	31.03.2013
	Rs	Rs.
<b>A. Cashflow from Operating Activities</b>		
Profit before tax and extraordinary activities	125,315	571,612
Add: 1. Depreciation	1,312,339	2,115,330
2. Intangible Assets w/o	7,839,563	7,839,563
<b>Operating Profit before working capital changes</b>	<b>9,277,217</b>	<b>10,526,505</b>
<b>Less:</b> Increase in trade and other receivables	(14,143,569)	(46,166,384)
(Increase) / Decrease in Inventories	(4,201,850)	3,730,000
(Increase) / Decrease in Loans and Advances	(4,936,369)	(32,477,496)
Increase / (Decrease) in Current Liabilities	(25,842,286)	(25,091,466)
<b>Net Cash generated from operating activities</b>	<b>(49,124,074)</b>	<b>(100,005,346)</b>
<b>B. Cashflow from Investment Activities</b>		
Decrease in long term liabilities	-	(120,330)
Share Application Money and premium received	(39,645,000)	39,670,000
Investments in others	-	2,279,500
<b>Net cash from Investing Activities</b>	<b>(39,645,000)</b>	<b>41,829,170</b>
<b>C. Cashflow from Financing Activities</b>		
Increase / (Decrease) in Share Capital	75,009,968	38,300,000
Increase / (Decrease) in Borrowings	6,454,665	13,518,622
<b>Net cash from Financing Activities</b>	<b>81,464,633</b>	<b>51,818,622</b>
<b>Net Decrease in cash and cash equivalents</b>	<b>1,972,776</b>	<b>4,168,951</b>
<b>Opening cash and cash equivalents</b>	<b>15,494,038</b>	<b>11,325,087</b>
<b>Closing cash and cash equivalents</b>	<b>17,466,814</b>	<b>15,494,038</b>
	<b>1,972,776</b>	<b>4,168,951</b>

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 : 29-05-2014

Sd/-  
**P.V.V.Satyanarayana**  
Chairman

Sd/-  
**P Obul Reddy**  
Executive Director

# NOTES FORMATTING PART OF THE ACCOUNTS AS ON 31.03.2014

## 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:

	2013-14	2012-13
Audit fee		
Statutory	1,00,000	1,00,000
Tax	50,000	50,000
<b>Total</b>	<b>1,50,000</b>	<b>1,50,000</b>

### 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.1,52,565/- 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:	2013-14	2012-13
India	-----	-----
Outside India	683.98	1404.41
Total Income	683.98	1404.41

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  
CTIL (HK) Limited

lii Other Indian Subsidiaries : SPRY Resources India Pvt. Ltd.

iii. Key Management Personnel : Chairman and Executive Director

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

<b>Name of the Company</b>	<b>Stake</b>	<b>2013-14</b>	<b>2012-13</b>
<b>CTIL Infrastructure Pvt. Ltd.</b>			
Opening Balance	100%	27075700	27075700
Investment made during the year		NIL	NIL
Balance at the year end		27075700	27075700
Maximum Outstanding during the year		27075700	27075700
<b>CTIL Media Pvt. Ltd.</b>	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
<b>SPRY Resources India Pvt. Ltd.</b>	55%		
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

7.20 lakhs

7.20 lakhs



**Note No 28. Earnings per Share:**

	2013-2014 Rs.	2012-2013 Rs.
Net Profit after tax	239158	907905
Weighted average number of Equity shares outstanding	30770757	26215554
Basic Earnings per Share	0.01	0.03
Diluted Earnings per Share	0.01	0.03
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:**

	Year ended 31st March, 2014 Rs.Lakhs	Year ended 31st March, 2013 Rs. Lakhs
Traveling Expenses	0.00	0.78

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

	Year ended 31st March, 2014 Rs.	Year ended 31st March,2013 Rs.
Capital Goods and Software	NIL	NIL

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

	Year ended 31st March, 2014 Rs in lakhs	Year ended 31st March, 2013 Rs in lakhs
Software Development Services	683.98	1404.41

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 report of even date attached

For CTIL Limited

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

Sd/-  
B.Balaji Viswanath  
Proprietor.  
Membership No:029357

Sd/-  
P.V.V.Satyanarayana  
Chairman

Sd/-  
P.Obul Reddy  
Executive Director

Place: Hyderabad  
Date: 29th May, 2014

# INDEPENDENT AUDITORS' REPORT

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, 2014, 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 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 209.57 lakhs as at 31 March 2014, revenues of Rs.4725.46 lakhs and net cash inflows amounting to Rs.4725.46 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 31,2014;
- 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)

Sd/-  
B Balaji Viswanath & Co  
Proprietor  
M.No. 029357

Place: Hyderabad  
Date : 29-05-2014

**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, 2014**

(Amount in Rupees)

	Particulars	Note No.	As At March 31, 2014	As At March 31, 2013
I	<b><u>EQUITY AND LIABILITIES:</u></b>			
1	<b>Shareholders funds</b>			
	(a) Share Capital	2	307707570	262155540
	(b) Reserves and Surplus	3	192629821	162670387
	(c) Capital Reserve		-	-
2	<b>Share application money pending allotment</b>		-	39645000
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	7189139	10862703
	(b) Deferred tax Liability (net)		100263	196395
	(c) Other Long term liabilities	5	93479998	40903510
	(d) Long-term provisions			
	(e) Minority Interest		29017005	35231514
4	<b>Current Liabilities</b>			
	(a) Short-term borrowings	7	156495850	123523040
	(b) Trade payables		47317041	10478285
	(c) Other current liabilities	8	40551546	57938758
	(d) Short-term provisions	9	1602884	5581122
	<b>TOTAL</b>		<b>876091117</b>	<b>749186254</b>
II	<b><u>ASSETS:</u></b>			
1	<b>Non-current assets</b>	Ace		
	(a) Fixed assets			
	(i) Tangible assets		20956896	26901176
	(ii) Intangible assets		73542904	83476313
	(III) Goodwill		11314902	31574484
	(b) Non-current Investments	10	36000000	3108046
	(c) Long- Term Loans and advances	6	24138000	23015000
2	<b>Current assets</b>			
	(a) Inventories	11	38937200	34735350
	(b) Trade Receivables	12	534022816	450332164
	(c) Cash and bank balances	13	28026508	16642857
	(d) Short -term loans and advances	14	107433592	77906486
	(e) Other current assets	15	1718299	1494378
	<b>TOTAL</b>		<b>876091117</b>	<b>749186254</b>
	Significant Accounting policies and notes to accounts	1 to 24		

As per our Report of even date

for **Balaji Viswanath & Co,**

Chartered Accountants.

sd/-

**B.Balaji Viswanath**

Proprietor

M.No. 029357

Partner

Place : Hyderabad

Date : 30.05.2014

For and on behalf of the board

0

sd/-

**P.V.V.Satyanarayana**

Chairman

sd/-

**P.Obul Reddy**

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 2014**

(Amount in Rupees)

	Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
I	Revenue from operations	16	472545763	322519154
II	Other Income	17	127280	110846
III	Total Revenue (I+II)		472673043	322630000
IV	Expenses:			
	a) (Increase)/Decrease in Inventory	18	-4201850	6544950
	b) Operating Expenses	19	423333421	158595692
	c) Employee benefit Exepense	20	19075441	82857013
	d) Finance Costs	21	11394393	14488465
	e) Depreciation and amortisation expense	10	3126647	4933277
	f) Other Exepenses	22	16708990	22574162
	Total Expenses		469437042	289993559
V	Profit before tax (III-IV)		3236001	32636441
VI	Tax Expense:			
	(a) Current tax	23	1152574	5244031
	(b) Deferred Tax		-152565	(765031)
			1000009	4479000
VII	Profit / (Loss) for the period (V-VI)		2235993	28157441
VIII	Prior Period Adjustments		-	-
IX	Minority Interest		312329	123441
IX	Net Profit		1923663	28034000
VIII	Earnings per equity share: (Face value of Rs.10/- each)			
	(1) Basic		0.06	1.07
	(2) Diluted		0.06	1.11
	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 : 30-05-2014

Sd/-

**P.V.V.Satyanarayana**

Chairman

Sd/-

**P.Obul Reddy**

Director

**CTIL LIMITED**

FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED

Notes to accounts

**NOTE NO: 2 - SHARE CAPITAL:**

Particulars	As At March 31, 2014		As At March 31, 2013	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	50000000	500000000	50000000	500000000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 10/- each fully paid up	30770757	307707570	26215554	262155540
(Refer footnote (a) to (c) below)				
<b>Total</b>	<b>30770757</b>	<b>307707570</b>	<b>26215554</b>	<b>262155540</b>

**Footnote:**

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

Particulars	As At March 31, 2014		As At March 31, 2013	
	Number	Rupees	Number	Rupees
Equity Shares outstanding at the beginning of the year	26215554	262155540	22385554	223855540
Equity Shares Issued during the year	4555203	45552030	3830000	38300000
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	30770757	307707570	26215554	262155540

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

Particulars	As At March 31, 2014		As At March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NIL	-	-	-	-

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

Particulars	As At March 31, 2014		As At March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	-	-	-	-

**CTIL LIMITED**

FORMERLY KNOWN AS COMP-U-LEARNTECH INDIA LIMITED

Notes to accounts

NOTE NO: 3 - RESERVES AND SURPLUS:

Particulars	Consolidated As	As At
	at 31-03-2014	March 31, 2013
<b>i) Securities Premium reserve</b>		
Opening Balance	176451418	-
(+) Additions during the year	23912109	-
Closing Balance	200363527	-
<b>ii) General Reserve</b>		
Opening Balance	4518761	-
(+) Share application on warrants forfeited	5545829	4518761
Closing Balance	10064590	4518761
<b>iii) Surplus</b>	14167815	<b>56979603</b>
(+) Additions for the year	1923663	<b>99270997</b>
(-) Appropriations		
Closing Balance	<b>16091478</b>	<b>156250600</b>
<b>Total ( a + b+c)</b>	<b>192629821</b>	<b>162670387</b>

**NOTE : 4 - LONG TERM BORROWINGS:**

PARTICULARS	Consolidated As	As At
	at 31-03-2014	March 31, 2013
<b>Secured Loans</b>		
Term Loans		
From Financial Institutions		
- Magma Finance Corporation Limited	15422	70248
- Uco Bank	7090096	9582223
- Kotak Mahindra Prime Limited	-	109040
- HDFC Bank	-	273861
- Volks Wagon Finance Limited	-	827331
- Nanesh Finance Corporation	28200	-
- HDFC Bank	55421	-
Hypothecation Loans		
From Banks	-	-
- Uco Bank	-	-
(Refer foot note (a) to (c) below)		
	<b>7189139</b>	<b>10862703</b>

**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

### NOTE NO: 5 - OTHER LONG TERM LIABILITIES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
	Rupees	Rupees
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	3646000	8425000
SRECKO INDHAN LIMITED	-	190000
GARUDA INFOSYSTEMS PRIVATE LIMITED	495000	495000
GKML SOFTWARE SERVICES PRIVATE LIMITED	11400000	2010000
SILVER SQUARE GRAPHICS MULTIMEDIA PRIVATE LIMITED	550000	550000
PSB Software	1050000	1000000
ANTARTIC SOFTWARE PVT. LTD.	1665000	-
CTIL	41657488	-
CTIL INFRA	1263000	-
PTR SOFTWARE PRIVATE LIMITED	450000	450000
	93479998	40903510

### NOTE NO: 6 - LONG TERM LOANS AND ADVANCES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
	(a) Advance for acquisition of Land	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
(h) Teleflex Infoservices Pvt. Ltd.	500000	500000
(i) Vedic Contructions	400000	400000
(j) Spry Resources India Pvt. Ltd.	1263000	-
(k) Y Madhureshu HUF	100000	-
(l) PSB Software Pvt. Ltd.	1250000	-
	-	1040000
	24138000	23015000

**NOTE NO: 7 - SHORT TERM BORROWINGS:**

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
<b>Working Capital Loans from banks</b>		
i) Uco Bank - Packing Credit	35648090	35748590
ii) UCo Bank - FBP	92851941	87774450
III) Uco Bank- Cash Credit	-	-
(Security details refer foot note below)	-	-
iv) KVB Letter of credit	22947488	-
v) KVB Cash Credit	5048331	-
( For Security Details, refer footnote II below)	156495850	123523040

**Foot Note:****(a) Security details:**

(i) secured by mortgagages 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: 8 - OTHER CURRENT LIABILITIES:**

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
(a) Share Application Money	-	358800
(b) Share Warrant Application Money	-	21568524
(c) Interest accrued but not bue	-	-
(d) Statutory dues payable	465227	1162720
(e) Expenses Payable	21437597	32960849
(e)TDS Payable	22050	78984
(g) Vehicle Loan instalments due in the next 12 Months	663762	1460382
(h) Others	17962910	348500
	40551546	57938759

CTIL LIMITED  
Notes to accounts

NOTE NO: 9 - SHORT-TERM PROVISIONS:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
(a) Provision for Income tax	1377867	5469324
(b) Provision for Expenses	63861	111798
(c) TDS Payable	161156	-
	1602884	5581122

NOTE NO: 10 - NON-CURRENT INVESTMENTS:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Long term investments in Equities-UNQUOTED	36000000	-
Quoted Investments	-	3108046
Bank Deposits with maturity beyond one year	-	-
	36000000	3108046

NOTE NO: 11 - INVENTORIES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
a) Work in process in respect of partly executed projects	38937200	34735350
	38937200	34735350

NOTE NO: 12 - TRADE RECEIVABLES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
(Unsecured and considered good)		
(a) Debts outstanding for more than six months	377200112	278166711
(b) Other debts	156822704	172165453
	534022816	450332164

CTIL LIMITED  
Notes to accounts

NOTE NO: 13 - CASH AND CASH EQUIVALENTS:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
	Rupees	Rupees
(a) Cash and cash equivalents:		
(i) Balances with banks;		
(1) In Deposit Accounts	9,612,268	6,811.00
(2) In Current Accounts	17212343	15571566
(ii)Cash on hand	1037589	900172
(b) Other bank balances:		
In Deposit Accounts	164308	164,308.00
	<b>28026508</b>	<b>16642857</b>

NOTE NO: 14 - SHORT TERM LOANS AND ADVANCES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
	Rupees	Rupees
(Unsecured and considered good)		
(a) Advances towards Materials and expenses	-	840024
(b) Deposits	732216	753850
(c) Mat Credit Receivable	-	-
(d) Other advances & Receivables	45535388	60356874
(e) Service Tax Abatement	-	199689
(e) Loans to related parties	61165988	15,756,049
	<b>107433592</b>	<b>77906486</b>

CTIL LIMITED  
Notes to accounts

NOTE NO: 15 - OTHER CURRENT ASSETS:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
(a) Advance Tax and TDS	1718299	1439267
(b) Prepaid Expenses	-	55111
	<b>1718299</b>	<b>1494378</b>

**NOTE NO: 16 - REVENUE FROM OPERATIONS:**

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Income from Software Development	110233899	290345928
BPO Income	-	31956945
Contract Receipts	16532550	-
Sales	345779314	-
Other Operating Income: Exchange rate differences	-	216281
	<b>472545763</b>	<b>322519154</b>

**NOTE NO: 17 - OTHER INCOME:**

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Interest Income	867	1546
Misc. Income	126413	109300
	<b>127280</b>	<b>110846</b>

**NOTE NO: 18 - CHANGES IN INVENTORIES:**

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Closing Stock	38937200	34735350
Less: Opening Stock	34735350	41280300
	<b>4201850</b>	<b>-6544950</b>

CTIL LIMITED  
Notes to accounts

NOTE NO: 19 - OPERATING EXPENSES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
Software Development Charges	67934994	149011513
Purchases	339252650	584422
Sub Contract Payments	16115600	565752
Consultancy charges	-	4,907,737.00
Medical Transcription Charges	-	2620000
Internet	10863	442680
Computers, electrical and other hardware Maintenance	19314	463588
Labour	-	-
	<b>423333421</b>	<b>158595692</b>

NOTE NO.20 - EMPLOYEE BENEFIT EXPENSE:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Salaries,wages and bonus	17887702	80744479
Employer's Contribution to PF and ESI	-	161045
Profession Tax paid	-	57820
Staff Welfare	467739	1173669
Directors Remuneration	720000	720000
	<b>19075441</b>	<b>82857013</b>

NOTE NO: 21 - FINANCE COSTS:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
(a) Interest Expenses		
- on working capital loans	10446766	12101309
- on Term Loan	-	1770608
-on Vehicle Loans	62764	397159
-on TDS & Income Tax	-	2,365.00
- others	-	51,535.00
(b) Other borrowing costs		
- Bank Charges	884863	104439
-Processing Charges	-	61050
	<b>11394393</b>	<b>14488465</b>

CTIL LIMITED  
Notes to accounts

NOTE NO: 22 - OTHER EXPENSES:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Advertisement & publicity	91756	46721
Audit Expenses	108090	-
Audit fee & certification charges	185394	253484
Board Meeting Expenses	56840	215415
Business Promotion/Marketing Expenses	69624	105496
Certification Expenses	30000	25,000.00
Computer hire charges	165424	185,000.00
Directors Sitting Fee	150000	-
Design and Development charges	124315	767255
Electricity	883308	-
General Meeting Expenses	44650	84985
General Expenses	20690	-
Insurance	2,812.00	677435
Internet	62853	48000
Miscellaneous Expenses Written off	9955263	10834384
Office Maintenance	1021320	5366839
Petrol and diesel	105695	111980
Postage & Courier Service charges	221127	185325
Printing & Stationery	467232	237493
Licenses, Rates & Taxes	125141	1076036
Rent	-	440400
Security Charges	35410	130500
Telephone Charges	387890	166609
Travelling & conveyance	2333941	667047
Utilities	60215	-
Vehicle Maintenance	-	751699
VOIP Call Charges	-	197059
	<b>16708990</b>	<b>22574162</b>

NOTE NO: 23- CURRENT TAX:

PARTICULARS	Consolidated As at 31-03-2014	As At March 31, 2013
		Rupees
Current tax	1152574	5244031
Less: MAT credit entitlement		
Net Current tax	<b>1152574</b>	<b>5244031</b>

## **NOTES FORMATTING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **Note No.24: Significant Accounting Policies**

#### **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.

#### **2. Principles of Consolidation**

The consolidated financial statements relate to CTIL Limited (“the company”) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a. The Financial statements of the Company and its subsidiaries are combined on line –by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- “Consolidated Financial Statements”.
- b. Investment in Associate companies has been accounted under the equity method as per Accounting Standard (AS) 23-“Accounting for investments in Associates in Consolidated Financial Statements”.
- c. The Company accounts for its share in change in net assets of the associates, post acquisition, though its statement of Profit and Loss to the extent such change is attributable to the Associate’s profit or loss through its reserves for the balance, based on available information.
- d. The difference between the cost of investment in the associates and share of net assets at the time of acquisition of the shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- e. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**3. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.**

#### **4. Other Significant accounting policies**

These are set out under “Significant Accounting Policies” as given in the Company’s separate financial statements.



**Note No 25. Payments to Statutory Auditor:**

	2013-14	2012-13
Audit fee	185394	253484
Total	185394	253484

**Note No 26: Segment Reporting:**

Segment report of M/s CTIL Limited and its consolidated subsidiaries has been prepared in accordance with AS 17 " Segment Reporting" as notified under section 211 ( 3C ) of the Companies Act, 1956.

The Business segments of the Group comprises of the following:

<u>Segment</u>	<u>Details of Business</u>
Information Technology	Software Development
Media	Print and Tele media ( Not yet started)
Infrastructure	providing infra related services

As part of secondary reporting, revenues are attributable to geographic areas based on the location of the customers.

<u>Geographical Segments:</u>	<u>2013-14</u>	<u>2012-13</u>
Customers base	India and Outside India	India and outside India
Total Income	4725.46 Lakhs	3226.30 Lakhs

**Note No. 27. Related party Disclosures:**

Related party disclosures have been given in notes forming part of the stand alone financial statement of the company.

**Note No 28. Earnings per Share:**

	2013-2014	2012-2013
	Rs.	Rs.
Net Profit after tax	3993467	28034000
Weighted average number of Equity shares outstanding	30770757	26215554
Basic Earnings per Share	0.13	1.07
Diluted Earnings per Share	0.16	1.11
Face value of each Equity Share	10	10

**Note No. 29. Expenditure in Foreign Currency:**

	Year ended 31st March, 2014 Rs.Lakhs	Year ended 31st March, 2013 Rs. Lakhs
Traveling Expenses	NIL	0.78

**Note No. 30. CIF Value of Imports:**

	Year ended 31st March, 2014 Rs.	Year ended 31st March, 2013 Rs.
Capital Goods and Software	NIL	NIL

**Note No. 31 Earnings in Foreign Currency:**

	Year ended 31st March, 2014 Rs in lakhs	Year ended 31st March, 2013 Rs in lakhs
Software Development Services	1102.77.	3226.29

Note No. 34 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 and on behalf of the Board

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

Sd/-  
B.Balaji Viswanath  
Proprietor.  
Membership No:029357

Sd/-  
p.v.v.satyanarayana  
Chairman

Sd/-  
P.Obul Reddy  
Executive Director

Place: Hyderabad  
Date: 29<sup>th</sup> May, 2014

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 23.09.2014 from 9.00 A.M. and ends by 5.00 P.M. on 23.09.2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 05.09.2014 in relation to 17<sup>th</sup> Annual General Meeting to be held on 30.09.2014 at 9 A.M, (Book Closure: from 26.09.2014 to 30.09.2014 both days inclusive) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in de-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in De-mat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the <b>folio/client id</b> number in the PAN field.</li><li>• In case the <b>folio</b> number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with <b>folio</b> number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your de-mat account or in the company records for the said de-mat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your de-mat account or in the company records for the said de-mat account or folio.</p> <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant CTIL LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If De-mat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s)for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA)which they have issued in favour of the Custodian ,if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## CTIL LIMITED

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

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

### BALLOT FORM

The Members who are not able to attend the Annual General meeting can send their assent or dissent in writing in respect of the resolutions as set out in the notice by sending the duly filled and signed Ballot Form to the Scrutinizer Mr. Subba Reddy L. Flat No:102, Arunodaya Apts, H.No: 1-1-526, Gandhi Nagar, Hyderabad – 500080, so as to reach him on or before 5.00 P.M. on September, 26<sup>th</sup> 2014.

1. Name(s) of Member(s)/Beneficial holder(s) \_\_\_\_\_  
(including joint holders, if any)  
(in block letters) \_\_\_\_\_

2. Registered address of the sole/first named \_\_\_\_\_  
Member(s)/Beneficial holder(s)

3. Registered Folio/DP ID and Client ID\* \_\_\_\_\_  
(\*Applicable to Members holding shares in  
dematerialized form)

4. Number of Shares held \_\_\_\_\_

I/We hereby exercise my/our vote in respect of the resolutions to be passed through Ballot for the business stated in the notice of the Company by sending my/our assent or  
or  
dissent to the said resolutions by placing the tick (√) mark at the appropriate box below:

Item No.	Description	Number of Shares for Which votes cast	I/We assent to the Resolution	I/We dissent to the Resolution
1.	To adopt Balance Sheet and Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2014			
2.	To consider appointment of Director in place Mr. PVV Satyanaryana Director retiring by rotation at the Annual General Meeting and being eligible, offered himself for reappointment.			

3.	To consider appointment of Director in place Mr. Raj Nagesh Kosaraju, Director retiring by rotation at the Annual General Meeting and being eligible, offered himself for reappointment.			
4.	To consider appointment of Director in place Mr. Ramesh Koritala, Director retiring by rotation at the Annual General Meeting and being eligible, offered himself for reappointment.			
5.	To consider and approve appointment of M/s Balaji Viswanath & Co., Chartered Accountants, Hyderabad, retiring Auditors, as Auditors of the company for a period of three years from the conclusion of 17 <sup>th</sup> Annual General Meeting to the conclusion of 20 <sup>th</sup> Annual General Meeting			
6.	To reappoint Mr. Nandipati Venkata Simhadri, Additional Director who hold office upto the 17 <sup>th</sup> Annual General Meeting, as a Director not liable to retire by rotation and appointment as an Independent Director for a period of 5 years			
7.	To reappoint Mr. Sanjeev Sharma, Additional Director who hold office upto the 17 <sup>th</sup> Annual General Meeting, as a Director not liable to retire by rotation and appointment as an Independent Director for a period of 5 years			
8.	To appoint Mr. Balarama Krishnaiah, Director on the Board of the company, as an Independent Director for a period of 5 years			

Place:

Date:

\_\_\_\_\_  
(Signature of the Member)

#E-mai: .....

CTIL LIMITED  
(formerly known as COMP-U-LEARN TECH INDIA LIMITED)  
4<sup>th</sup> 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 **17<sup>th</sup> Annual General Meeting of the Company on Tuesday, 30<sup>th</sup> September, 2014 at 9.00 A.M. at Hotel Spice Touch, 8-2-309/7/3, Plot No.299, Road No: 14, Banjara, Hills, Hyderabad, Telangana 500034 and / or at any adjournment thereof.**

Signed this.....day of.....2014

Affix Rs.1/- revenue stamp
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Regd. Folio No. / Client ID No.....

Note:

- i. The Proxy need not be a member
- ii. 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.

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

*17<sup>TH</sup> 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 17<sup>th</sup> Annual General Meeting of the Company on Tuesday, 30<sup>th</sup> September, 2014 at 9.00 A.M. at Hotel Spice Touch, 8-2-309/7/3, Plot No.299, Road No: 14, Banjara, Hills, Hyderabad, Telangana 500034**

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



**CTIL Limited**  
Setting Standards in Technology

**ANNEXURE**

**Amendments to Equity Listing Agreement**

1. In Clause 31 of Equity Listing Agreement, in sub-clause (a), after the term ".....Directors' Annual Reports", the following shall be inserted, viz.,:-

"along with Form A or Form B, as applicable, the proforma for which shall be as under:-

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1	Name of the Company:	CTIL LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	NIL
5	To be signed by- • Executive Director – P.Obul Reddy	

**FORM B**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1	Name of the Company:	CTIL LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit Qualification	NIL
4	Frequency of Qualification	NA
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	NIL
6	Additional Comments from the board/audit committee chair	NIL
7	To be signed by- • Executive Director – P.Obul Reddy	

2. After Clause 31, a new Clause 31A shall be inserted, viz., :-

"31A. The issuer agrees to restate its books-of-accounts on the directions issued by SEBI or by any other statutory authority, as per the provisions of the extant regulatory framework".

\*\*\*\*\*

For CTIL LIMITED

*P.Obul Reddy*

Director