

# 19<sup>th</sup>

## Annual Report 2012-2013

**COMPUCOM**  
**SOFTWARE LIMITED**  
*We make IT happen*

# COMPUCOM

## SOFTWARE LIMITED

*We make IT happen*

### OUR VISION

TO BE THE GLOBALLY  
PREFERRED LEARNING SOLUTION PARTNER,  
BY DELIVERING QUALITY EDUCATION,  
MEANT FOR PERFORMANCE ENHANCEMENT,  
THROUGH WORLD CLASS PROCESS.

### OUR MISSION

"TECHNOLOGY IS EMPOWERMENT",  
IT IS AN EMPOWERING TECHNOLOGY,  
WHEN RIGHTLY EMPLOYED,  
IT LEADS TO PRODUCTIVITY IMPROVEMENTS  
AND PROSPERITY AT INDIVIDUAL, ORGANIZATIONAL,  
SOCIETAL, NATIONAL AND GLOBAL LEVEL

### OUR ETHICS

- FAIRNESS & TRANSPARENCY WITH MEMBERS
- PROMOTE HIGH STANDARD OF BUSINESS ETHICS
- CREATING VALUE THROUGH CONSISTENTLY SUPERIOR PERFORMANCE
- EXCEEDING CUSTOMER EXPECTATIONS
- ADHERENCE TO SOCIAL LAWS/  
RESPONSIBILITY.

**Contents**

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☞ Board of Directors and Corporate Information .....	2
☞ CEO's Communique .....	3
☞ Notice of 19 <sup>th</sup> Annual General Meeting .....	4
☞ Directors' Report .....	6
☞ Management Discussion and Analysis Report .....	11
☞ Corporate Social Responsibility .....	15
☞ Report on Corporate Governance .....	16
☞ CEO and CFO Certification .....	25
☞ Auditors' Certificate on Corporate Governance .....	25
☞ Secretarial Compliance Report .....	26
☞ Financial Statements-Compucom Software Limited	
• Auditors' Report .....	27
• Balance Sheet .....	30
• Profit and Loss Account .....	31
• Cash Flow Statement .....	32
• Notes to the Financial Statements .....	33
☞ Subsidiary Companies Statement under Section 212 of the Companies Act, 1956 .....	46
☞ Consolidated Financial Statements	
• Auditors' Report .....	47
• Consolidated Balance Sheet .....	48
• Consolidated Profit and Loss Account .....	49
• Consolidated Cash Flow Statement .....	50
• Notes to the Consolidated Financial Statements .....	51
☞ Financial Statements of US Subsidiary – ITneer, Inc., USA .....	53
☞ Financial Statements of Indian Subsidiary - CSL Infomedia Pvt. Ltd., India .....	56
☞ Attendance Slip & Proxy Form .....	67

## Corporate Information

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### BOARD OF DIRECTORS

**Surendra Kumar Surana**

Managing Director & CEO

**Shubh Karan Surana**

Non-Executive Director & Non- Independent Director

**Ajay Kumar Surana**

Non-Executive Director & Non- Independent Director

**Stephen Carl Viehman**

Independent Director & Non-Executive Director

**G. L. Chaudhary**

Independent Director & Non-Executive Director

**Ramesh Chand Jain**

Independent Director & Non-Executive Director

**Rajendra Prasad Udawat**

Independent Director & Non-Executive Director  
(Additional Director w.e.f. July 31, 2013)

### SENIOR MANAGEMENT

**Vishnu Bargoti**

Chief Financial Officer

### STATUTORY AUDITORS

**M/s. S. Misra & Associates**

Chartered Accountants

3-C, Third Floor, Tilak Bhawan, Tilak Marg,  
C-Scheme, Jaipur (Rajasthan)-302005, India

### REGISTRAR & SHARE TRANSFER AGENT

**MCS Limited**

F-65, 1st Floor, Okhla Industrial Area, Phase-1

New Delhi-110020, India

Phone No: +91-11-41406149

Fax: +91-11-41709881

Email:admin@mcsdel.com

### PRINCIPAL BANKERS



### REGISTERED OFFICE

IT: 14-15, EPIP, RIICO Industrial Area,

Sitapura, Jaipur (Rajasthan)- 302022, India

Phone: +91-141- 5115908 (10 Lines)

Fax: +91-141-2770335

Email: investor@compucom.co.in

Website: www.compucom.co.in

### BOARD COMMITTEES

**Audit Committee**

G. L. Chaudhary (Chairman)

Shubh Karan Surana

Ramesh Chand Jain

**Remuneration Committee**

Stephen Carl Viehman (Chairman)

G. L. Chaudhary

Shubh Karan Surana

**Shareholders' Grievance Committee**

Ramesh Chand Jain (Chairman)

Shubh Karan Surana

G. L. Choudhary

**Swati Jain**

Company Secretary & Compliance Officer

### CORPORATE ADVISORS

**V. M. & Associates**

Company Secretaries

403, Royal World, Sansar Chandra Road,

Jaipur (Rajasthan)-302001, India

## **CEO's Communique**

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Dear Shareholders,

Greetings!

It gives me immense pleasure to write to you this letter. The Financial Year 2012-13 has been a year of various challenges.

Though at macro level the economy has registered a negative growth, yet your Company has slightly improved its top line and has almost maintained its EBIDTA margin, yet due to taxation impact and providing for bad-debts, net profit margins have reduced. However, this has strengthened the financial health of your Company.

During the FY 2012-13 we have completed Delhi school project & JVVNL project.

In view of the satisfactory implementation of the ICT phase-I project in 2292 schools; the Government of Rajasthan has further extended the project for six months, which is a matter of great pleasure for us.

This year Department of Information Technology (DoIT) and RajComp Info Services Limited of Government of Rajasthan have also awarded E-Governance projects to your company, and they are running successfully.

The F.Y 2012-13 has witnessed a good growth in USA, thus as expected, revenues from the USA have also increased by more than two fold in comparison to the last Financial Year.

I am hopeful that the experience gained in implementation of ICT & CALP projects & E-Governance projects will facilitate in securing more businesses of similar nature in the years to come.

As you all know that majority of our Business is with State Government, thus due to process driven methodology, recovery of Government dues takes a long time. However we have been successful in effective recovery of outstanding dues, which has improved the Debtors turn-over.

Compucom Group's charitable arm Compucom Foundation runs an Engineering & Management College in the close vicinity of CSL, which provides value based education to the society.

The recently launched TV channel Jan TV, through our subsidiary CSL Infomedia Private Limited, has also started generating good amount of revenue & another channel JAN TV PLUS will start generating revenue in the near future.

Your company has an excellent & committed team, whose hard work brings success in all the projects undertaken by us.

I would like to acknowledge Board of Directors, Shareholders, Central & State Government Administration, Educational Department, RIICO, Stock Exchanges, Bankers, Vendors & Staff Members, who have helped the Company to maintain excellence & strive for growth.

With warm regards

**Surendra Kumar Surana**  
Managing Director & CEO

Jaipur  
July 31, 2013



**NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Nineteenth Annual General Meeting (AGM) of Compucom Software Limited will be held on Thursday, September 19, 2013, at 11.30 A.M. at the “**KRISHNA AUDITORIUM**”, Compucom Engineering College Compound, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur- 302022 (Rajasthan), India to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Report of the Directors and that of the Auditors thereon.
2. To declare a Final Dividend on equity shares for the Financial Year 2012-13.
3. To appoint a Director in place of Mr. Stephen Carl Viehman, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shubh Karan Surana, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration. M/s. S. Misra & Associates, Chartered Accountants, Jaipur (Registration No: FRN-004972C), the retiring Auditors, are eligible for re-appointment.

**Special Business:**

**6. APPOINTMENT OF MR. RAJENDRA PRASAD UDAWAT AS A DIRECTOR OF THE COMPANY.**

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

“**RESOLVED THAT** Mr. Rajendra Prasad Udawat, who was appointed as an Additional Director of the Company by the Board of Directors under Article 78 of the Articles of Association of the Company w.e.f. July 31, 2013 and who holds office, as such, under the said Article and pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) upto the date of this Annual General Meeting, and who is eligible for appointment under the relevant provisions of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act signifying his intention to propose him as a candidate for the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Jaipur  
July 31, 2013

By order of the Board

Registered Office:  
IT 14 -15, EPIP, RIICO Industrial Area,  
Sitapura, Jaipur - 302 022 (Rajasthan)

**(CS Swati Jain)**  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
**The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting.**
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed for the purpose of the ensuing Annual General Meeting from Monday, September 16, 2013 to Thursday, September 19, 2013 (both days inclusive) and for payment of dividend for the Financial Year 2012-2013.
5. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
6. Members holding shares in physical form may write to the Company’s Registrar and Share Transfer Agent i.e. MCS Ltd., Unit: Compucom Software Limited, F – 65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020, for changes, if any, in their address and bank mandates, members having shares in electronic form may inform such changes directly to their depository participant immediately so as to enable the Company to dispatch dividend warrant(s) at their correct address (es).
7. Members holding shares in physical form are requested to convert their holdings into dematerialized mode, to avoid loss of shares, quick credit of dividend and fraudulent transactions.
8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Company’s Registrar and Share Transfer Agent, M/s MCS Ltd., Delhi for consolidation into single folio.
9. Members may now avail the facility of nomination by nominating in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrar and Share Transfer Agent for the prescribed form.
10. Profiles of the Directors seeking appointment/re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this notice.
11. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
12. Members are requested to encash dividend warrants at the earliest as the unclaimed dividend amounts, if any, will be transferred to the “Investor Education and Protection Fund” established by the Central Government, as stipulated under the Companies Act, 1956.
13. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 11.30 A.M. to 12.30 P.M., till the date of Nineteenth Annual General Meeting.
14. Members / Proxy(ies) are requested to bring their copy of the Annual Report at the Meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the Meeting hall.
15. Compucom Software Limited is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of

Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email account.

16. Shareholders may visit Company's website: [www.compucom.co.in](http://www.compucom.co.in) and contact us at e-mail: [investor@compucom.co.in](mailto:investor@compucom.co.in)
17. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
18. The Register of Contracts maintained under section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO. 6**

To broad base the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement, Mr. Rajendra Prasad Udawat was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company w.e.f. July 31, 2013 to hold office till date of ensuing Annual General Meeting.

The Company has received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment to the office of the Director of the Company. Mr. Rajendra Prasad Udawat has an excellent service record in the Govt. sector of more than 30 years covering wide range of administrative, taxation, industrial activities and educational activities.

The Board recommended for appointment of Mr. Rajendra Prasad Udawat and proposed to pass the resolution as set out in Item No.6 of the Notice as an Ordinary Resolution.

Mr. Rajendra Prasad Udawat is concerned or interested in the resolution.

**ANNEXURE TO THE NOTICE OF 19TH AGM**

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting to be held on Thursday, September 19th, 2013:

Name of Director	Mr. Stephen Carl Viehman	Mr. Shubh Karan Surana	Mr. Rajendra Prasad Udawat
Age	55 years	84 years	68 years
Designation	Independent and Non-Executive	Non-Independent and Non-Executive	Independent and Non-Executive
Expertise in specific functional area	Major US telecommunications company in plant operations engineering, design and planning, and information systems technology division.	Experience in Insurance, Jute and cold storage Business Industries & Marketing	Organizing Industrial promotion campaigns in India and abroad Expertise Project financing, Project implementation.
Qualification	B-Tech (Electrical)	Commerce Graduate	Bachelor Degree holder in Mechanical Engineering
Directorship in other Companies on March 31, 2013	Nil	1. Sambhav Infotech Pvt. Ltd. 2. Compucom Technology Pvt. Ltd. 3. Compucom (India) Pvt. Ltd. 4. Shubh Krishna Health Care Pvt. Ltd. 5. Rishab Infotech Pvt. Ltd. 6. CSL Infomedia Pvt. Ltd.	Man Structurals Pvt. Ltd.
Member/Chairman of the Committees of the Board of other Companies as on March 31, 2013	Nil	Nil	Nil
No. of shares held in the Company as on March 31, 2013	210000	811050	Nil

Jaipur  
July 31, 2013

Registered Office:  
IT 14 -15, EPIP, RIICO Industrial Area,  
Sitapura, Jaipur - 302 022 (Rajasthan)

By order of the Board

**(CS Swati Jain)**  
Company Secretary

## Directors' Report to the Members

Your Directors have immense pleasure in presenting their 19<sup>th</sup> Annual Report on the business and operations of the Company for the year ended March 31, 2013.

### Financial Results:

(Rs. in Lacs)

The highlights of the financial results for the Financial Year 2012-2013 are as follows:

Particulars	31.03.2013	31.03.2012
Total Income	7,347.59	7,182.65
Total Expenses	3,768.97	2,962.14
<b>Operating Profit (PBDIT)</b>	<b>3,578.62</b>	<b>4,220.51</b>
Interest	440.47	528.30
Depreciation	1,843.40	2,463.16
Profit before Tax	1294.75	1,229.05
Provision for Income Tax including Deferred Tax	425.73	119.92
<b>Net Profit after Tax</b>	<b>869.02</b>	<b>1,109.13</b>
Appropriation		
Dividend	316.50	237.38
Dividend Tax	51.34	38.50
Transfer to General Reserve	100.00	100.00
<b>Total Appropriations</b>	<b>467.84</b>	<b>375.88</b>
Earning per Share: Basic and Diluted (in Rs.)		
Considering Extraordinary Items	1.10	1.40
Without Considering Extraordinary Items	1.10	1.40

### Results of Operations:

Total revenues earned during the year amounted to Rs. 7347.59 Lacs compared to that of Rs. 7182.65 Lacs in the previous Financial Year. During the year under review, the income from operations was Rs. 7127.72 Lacs compared to Rs. 6995.32 Lacs in the previous Financial Year. This reflects increase of Rs.132.40 Lacs, which is mainly due to the increase of income from Learning Solution business segment. The profit before tax has increased from Rs. 1229.05 Lacs in the previous Financial Year to Rs. 1294.75 Lacs in the current Financial Year.

The profit before interest, depreciation and tax during this period is Rs. 3578.62 Lacs as compared to the previous Financial Year PBIDT i.e. Rs.4220.51 Lacs.

As required by AS- 21, Consolidated Financial Statements are provided in the later Section of the Annual Report.

### Business Operations:

#### (1) Software & E-Governance Services:

During the year, the Company focused on the areas where higher margin was available with low risk factors. The revenue generated from this segment during the Financial Year 2012-13 was Rs. 584.99 Lacs as against Rs. 695.00 Lacs during the last Financial Year. This reflects a decrease of 15.83% i.e. Rs. 110.01 Lacs due to successful closure of JVVNL, Jaipur & Kota Project.

Profit earned from this segment amount to Rs. 184.43 Lacs as compared to that of Rs. 246.93 Lacs during the previous Financial Year, which has resulted a decrease of 25.31% i.e. Rs. 62.50 Lacs.

#### (2) Learning Solutions:

During this year revenue from this segment amounted to Rs. 6334.30 Lacs against the last year revenue of Rs. 6096.27 Lacs which shows an increase in revenue by 3.90% i.e. Rs. 238.03 Lacs.

Learning Solution Segment mainly comprises ICT Phase I, ICT Phase II, ICT Bihar, Delhi School Project, CALP I, CALP II, CATP and other projects. The Company has total 6850 Govt. Schools and over 2 million learners under its educational umbrella. The Company has successfully implemented the two big educational projects, first is ICT Project-Phase I, involving 2292 Govt. higher secondary schools, going to complete in the month of June 2013 which has been further extended upto December 2013. Second educational project completed in December 2012 is Delhi School Project, involving 568 schools. During the year 2012, the Company has been awarded one more project, ICT Bihar worth Rs. 46.72 Crore, it has 336 Govt. Schools of Bihar. Up to March, 2013 it has been implemented in 300 schools. Further the Company has witnessed the successful implementation of the Computer Aided Training Programme, the total project value is 13.85



Crore in 1000 schools. The project has started from December 2012 & will complete in December 2017. Apart from this the other projects that are running successfully are CALP-I project, worth Rs. 10.68 crores for imparting training in 836 Govt. schools of Rajasthan, CALP II worth Rs.10.41 Crore includes 836 Govt. schools of Rajasthan and ICT Phase II worth Rs. 77.77 Crore, involving 1550 Govt. higher secondary schools.

The Company has massive plans for capturing the advantage of Indian education expenditure planned through Govt. of India promoted PPP models across India fueled by SSA (*Sarva Shiksha Abhiyan*).

**(3) Wind Power Generation:**

The Company had set up two wind power generation plants of 1.20 MW at Jaisalmer (Rajasthan), two at Sikar (Rajasthan) of 1.20 MW & One Plant at Krishna (Andhra Pradesh) of 0.8 MW. Total wind power generation capacity is 3.2 MW. The operation and maintenance of all these wind power project has been out-sourced to M/s Wind World India (previously known as Enercon India Limited) During the year revenue generated from this segment amounted to Rs. 208.43 Lacs in the current year as compared to Rs. 204.05 Lacs during the previous year ended on March 31, 2012. which shows an increase in the revenue by 2.15% i.e. Rs. 4.38 Lacs

**(4) Treasury Activities:**

The revenue generated from this segment during the Financial Year 2012-13 was Rs. 219.87 Lacs as against Rs. 187.34 Lacs during the last Financial Year. During the year, the revenue generated from treasury operations has increased by 17.36% i.e. Rs. 32.53 Lacs. During the year most of the funds were invested in FDRs, where returns are lower but safe in comparison to equity-oriented funds.



**(5) Status of Subsidiary Companies**

The Company has two subsidiary Companies:

**(A) ITneer, Inc.** is a wholly owned subsidiary Company of Compucom Software Limited. It has earned total revenue of US\$ 7,02,823 during the Financial Year 2012-13 as compared to US\$ 6,72,121 in the previous Financial Year. This reflects an increase of approx 4.57% i.e. US\$ 30,702. The Company has declared a net profit of US\$ 2,115 as compared to the profit of US\$ 11,866 in the previous Financial Year which reflects a decrease of approx 82.17% i.e. US\$ 9,751. The copy of the audited accounts, together with the independent Auditor’s Report, is provided in a separate section of this Annual Report.

**(B) CSL Infomedia Pvt. Ltd.** is another subsidiary Company of Compucom Software Limited. It has earned total revenue of Rs. 253.60 Lacs during the Financial Year 2012-13 as compared to Rs. 45.73 Lacs in the previous Financial Year which shows an increase of 454.56% i.e. Rs. 207.87 Lacs. The Company is mainly operating multimedia, Content Development and Education TV Segment. The copy of the audited accounts together with the Independent Auditors Report is provided in a separate section of this Annual Report.

**Dividend**

Keeping in view the good financial position of the Company & maintaining continuous reward to its shareholders, your Directors are pleased to recommend a dividend @ 20% i.e. Rs. 0.40/- per Equity share of Rs. 2/- each for the Financial Year 2012-13, subject to approval of the shareholders at the ensuing Annual General Meeting.

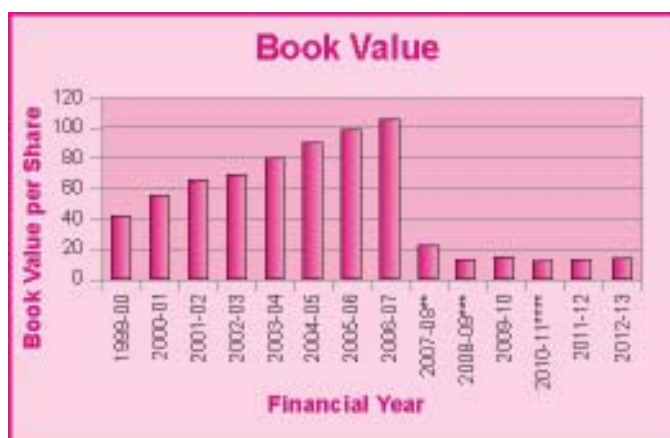
Dividend declared & paid during last 13 (Thirteen) years:

Financial Year	Dividend Rate
1999-00	20%
2000-01	25%
2001-02	10%
2002-03	25%
2003-04	25%
2004-05	25%
2005-06	30%
2006-07	30%
2007-08**	15%
2008-09***	10%
2009-10	10%
2010-11****	15%
2011-12	15%



**Book Value per Share:** Details of book value during the last 14 (Fourteen) years are as under:

Financial Year	No of Shares	Face Value per share	Book Value Per share (in Rs.)
1999-00	5,00,000	10	42.28
2000-01	5,025,000	10	55.74
2001-02	5,025,000	10	65.60
2002-03	5,025,000	10	69.00
2003-04	5,025,000	10	79.90
2004-05	5,025,000	10	90.79
2005-06	5,025,000	10	98.73
2006-07	5,025,000	10	105.89
2007-08**	25,125,000**	2 (10)	22.79
2008-09***	502,50,000***	2	13.10
2009-10	502,50,000	2	14.47
2010-11****	7,91,25,188****	2	12.26
2011-12	7,91,25,188	2	12.97
2012-13	7,91,25,188	2	13.92



\*\*Equity share of Face Value of Rs.10 each sub-divided into equity share of Face value of Rs. 2/- each. Record date for the same was October 15, 2007.

\*\*\* The Company granted bonus issue in the ratio of 1:1. Record date for the same was December 26, 2008.

\*\*\*\*The Company granted bonus issue in the ratio of 1:2. Record date for the same was October 20, 2010.

\*\*\*\* Preferential issue of 37.50 Lacs Equity shares allotted on November 4, 2010.

**Directors’ Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, Directors state therein that:

- (a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations and disclosures relating to material departures.
- (b) The relevant accounting policies are applied consistently and the directors’ have 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 as on March 31, 2013 and of the profit of the Company for the period.
- (c) Proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

**Fixed Deposits**

During the Financial Year 2012-13, your Company has not accepted any fixed deposits nor renewed any deposit, falling within the definition of Section 58A of the Companies Act, 1956.

**Board of Directors**

In accordance with the Companies Act, 1956 (“the Act”) and Articles of Association of your Company, Mr. Rajendra Prasad Udawat was appointed as an Additional Director in the Board Meeting held on July 31, 2013. The Board recommends his appointment as a regular Independent Director of the Company liable to retire by rotation.

Mr. Shubh Karan Surana and Mr. Stephan Carl Viehman, being eligible for appointment, seek re-appointment at the ensuing AGM. Appropriate resolutions for their re-appointment are being placed before you for your approval at the ensuing AGM. The brief Resume of the aforesaid directors and other information has been detailed in the notice. Your directors recommend their re-appointment as directors of your Company.

**Auditors and Auditors’ Report**

M/s S. Misra & Associates, Chartered Accountants, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed. The Board of Directors in its meeting held on July 31, 2013 has recommended the appointment of M/s S. Misra & Associates as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Auditors’ Report is self-explanatory and does not call for further explanation.

**Cost Auditor and Cost Audit Report**

Pursuant to Section 233B(2) of the Companies Act 1956, and in terms of the Central Government’s approval the Board of Directors on the recommendation of the Audit Committee appointed Mr. R. K. Bhandari, Cost Accountant, as the Cost Auditor of

the Company for the F.Y. 2012-13 under review relating to generation of electricity. Mr. R. K. Bhandari has confirmed that his appointment is within the limits of Section 224 (1B) of the Companies Act, 1956 and has certified that he is free from any disqualification specified under Section 233B(5) read with Section 224 Sub Section (3) or Sub Section (4) of Section 226 of the Companies Act, 1956.

The Audit Committee has also received a certificate from the Cost Auditor certifying his independence and Arm's length relationship with the Company. Pursuant to the Companies (Cost Audit Report) Rules 2011, the Cost Audit Reports and the Compliance Report for the Financial Year 2011-12 were filed by the Cost Auditor for electricity on February 28, 2013 on the Ministry of Corporate Affairs Website. The due date for filing the Cost Audit Reports for the Financial Year 2012-13 is September 30, 2013.

#### **Corporate Governance Report, Management Discussion and Analysis Report and Corporate Social Responsibility Report**

As per the Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Corporate Governance Report with a certificate from auditors of the Company and a Management Discussion and Analysis Report and Corporate Social Responsibility Report are attached and form part of this report.

#### **Secretarial Compliance Report**

As a measure of good corporate governance practice, the Board of Directors of the Company had appointed V. M. & Associates, Company Secretaries, to conduct secretarial audit on compliances of the Company. The Secretarial Compliance Report for the Financial Year ended on March 31, 2013 is provided in the Annual Report.

#### **Jan TV-A Satellite TV Channel**

"Jan TV", Satellite TV channel of Compucom Software Limited's subsidiary Company CSL Infomedia Pvt. Ltd. completed one successful year and celebrated its first anniversary on May 13, 2013.

Jan TV has also started its Bihar/Jharkhand bureau which will focus on local news from the States of Bihar and Jharkhand.

Our second satellite TV Channel "Jan TV PLUS" (an Infotainment Channel) has also been launched on March 28, 2013. Currently it is available on BSNL IPTV Channel No. 173 and on other cable networks in Rajasthan. It is also available live on [jantvplus.in](http://jantvplus.in).

#### **Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange and Outgo**

Disclosure under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure "A".

#### **Particulars of Employees**

As required by the provisions of Sub-Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, no employee is drawing remuneration at or above the limits mentioned therein.

#### **Human Resource Management**

Compucom Software Limited draws its strength from a highly engaged and motivated workforce, whose collective passion and commitment has helped the organization scale new heights. Human Resource policies and processes have evolved to stay relevant to the changing demographics, enhance organizational agility and remain compliant with the changing regulatory requirements. The Company has created a favorable work-environment that encourages innovation and nurturing of commercial and managerial talents in its operations.

#### **Quality Assurance**

Sustained commitment to the highest levels of quality, best in class service management and robust information security practices helped the Company to attain the various milestones.

The Company is an ISO 9001:2000 organization, certified by Det Norske Veritas (DNV) since 1998. These standards enable us to identify risks at the initial planning stage of the project. The Company firmly believes in the pursuits of excellence to compete in this emerging and growing software market. Our focus has been on providing quality products and services to our customers.

The Company achieved CMMI level-3 certification and continues to implement the certification quality level in its operation.

#### **Acknowledgement**

The Directors take this opportunity to thank all Investors, associates and business partners, clients, strategic alliance partners, technology partners, vendors, financial institutions/banks, regulatory and government authorities, media and stock exchanges, for their continued support during the year. The Directors place on record their appreciation of the contribution made by all the employees at all levels for their dedicated service and continued excellent work throughout the year.

#### **For and on behalf of the Board**

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

Jaipur  
July 31, 2013

**Annexure ‘A’ to the Directors’ Report**

Particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

**CONSERVATION OF ENERGY** - The nature of the Company’s operation is not energy intensive and entails low level of energy consumption. However, significant measures are being taken for the conservation of energy and the management is constantly evaluating new technologies and investing in the infrastructure to make more energy efficient. Significant measures have been taken to reduce energy consumption by using energy-efficient equipments include:

- Incorporating new technologies in the air-conditioning systems in upcoming facilities to optimize power conservation.
- Identification and replacement of low-efficient machinery (AC) in a phased manner.
- Identification and replacement of outdated and low efficient UPS systems in a phased manner.
- Conducting continuous energy-conservation awareness and training sessions for operational personnel.
- The Company has installed 100KWA Solar PV roof top plant for captive use.

**(i) Research & Development (R&D)**

**(a)** Our efforts in R&D have helped us offer new services to clients in the areas of software Engineering, convergence, Knowledge- driven information system, Security and Privacy, and Distributed Computing. Education and Software Development being the main focus of the Company, Compucom lays emphasis on the research and development activities and is continuously improving its business by research and development. The Company has laid out training programs to improve and upgrade skills of its employees to keep pace with the changing market scenario. The Company is undertaking software assignments, which involve lot of research work, during various phases of software development life cycle. Continual infusion of new technology need research activities during its absorption and usage. Company takes every measure to adopt newer methodologies in software development business.

**(b) Specific areas in which R&D carried out by the Company** - Software products development, inter-operability of multiple operating systems, telecom, CRM, VOIP, E-Governance are the areas in which Company performs research and development activities.

**(c) Benefits derived as a result of R&D** - Our research labs are well equipped and are instrumental in providing expertise in the areas of software performance solutions, testing, prototype developments and providing end to end solutions to the clients to suit their requirement. Research and development activities have helped in providing new and better solutions to the customers. R&D activities help in enhancing technical skills, which are critical for providing the end-to-end solutions to the clients.

**(d) Future plan of action** - Your Company lays emphasis on continuous research and development activities. Future benefits are expected to flow in from initiatives undertaken during the year. The Company continues to focus its efforts on innovations in software development processes and other IT related projects.

**(e) Expenditure on R&D** - The Company’s R&D activity is part of its normal software development activities and is a continuous process. Company is not having the separate R&D department so it will not be prudent to assign capital and recurring expenses specifically to the research and development activities.

**(ii) Technology absorption, adaptation and innovation:** The Company realizes that in order to stay competitive and avoid obsolescence, it will have to invest in technology across multiple product line and services offered by it. In order to maintain its position of leadership, your Company has continuously and successfully developed state-of-the-art methods for absorbing, adapting and effectively deploying new technologies. Hence, the Company is making every effort to develop methods for adopting and effectively deploying new technologies.

**(a) Efforts made towards technology absorption, adaptation and innovation:** Company lays greater emphasis on technology absorption and innovations as the Company is engaged in the business marked with rapid technology changes and obsolescence. Company strives to keep pace with the rapid changes and adopt new technologies periodically to be in line with competitive market conditions.

**(b) Benefits derived as a result of the above efforts:** The adoption of the latest technology and innovative ideas has enabled your Company to have an edge on others due to higher productivity, better services, and increased consumer confidence. It also has enabled the Company to come out with innovative ideas so as to explore new areas of generating the revenue.

**(iii) Foreign Exchange Earnings and Outgo:**

**(a) Activities relating to exports, initiative taken to increase exports, development of new export market for product and services and export plans:** The Company is in the business of software exports. All the efforts of the Company are geared to increase the business of software exports of different products and services in various export oriented markets.

During the Financial Year 2012-13, the revenue derived from export activities was Rs. 201.26 Lacs. The Company focuses on export projects, which attract higher margins at lower risks. The Company has established marketing arrangement in the foreign countries vide its subsidiary and other marketing agreements.

**(b) Total Foreign Exchange Earnings:**

The details of foreign exchange earnings and outgo are given in the notes on accounts.

FOB value exports: Rs. 2,01,25,922 /- (Previous year Rs. 1,93,50,436/-)

CIF value of imports: NIL (Previous year: NIL)

Other expenses incurred in foreign currency on manpower, administrative and marketing expenses Rs. 91,095/- (Previous year Rs. 1,53,827/-)

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERVIEW**

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management of the Company accepts responsibility for integrity and objectivity of these Financial Statements as well as various estimates and judgments.

**A. Business Environment and outlook** - The Company operates in areas like E-Governance projects, ICT Education projects, software design & development, Electronic Media, IT & Media Training and Learning Solutions, Wind Power Generation etc. Compucom range of services includes 24X7 customer service centers. Customers are looking for service-providers who can offer them services, which are cost-effective, possess domain expertise and can handle greater complexity and program management responsibility and capabilities on technology that can result in productive gains. The Company targets new customer segments and market verticals.

### **B. Opportunities and Threats:**

#### **(1) Opportunities:**

**(i) ICT in Govt. Schools:** India is one of the world's largest education markets, with 445 mn of the 1.1 bn population comprising the target group (5-20 ages) of the education sector. The 'ICT in schools' scheme is a window of opportunity to bridge the digital divide in India. The scheme is a comprehensive initiative to open new vistas of learning and provide a level playing field to school students of rural areas. Compucom is a passport to a fulfilling career in computer literacy, providing students with hands-on courses to stay abreast with the requirements of the I.T. world and moreover Compucom is one of the prominent players for *ICT@School* and "*Sarva Shiksha Abhiyan*", which are projects of Government of India. Compucom undertakes large projects that are similar in nature with a turnkey project, from setting-up of computer labs to imparting computer education and other Computer Aided Learning Programmes for Government schools. These projects also involve supply of computer hardware, software and connected accessories as well as imparting of education services on BOOT-basis for a specified time (generally 3-5 years). Government having recognized the importance of IT in education as being fundamental to the development of a globally competitive economic and democratic society as well as placing India on the world IT map, now focus mainly on providing computers and computer literacy programmes in Government schools. Compucom has shaped the lives of millions of students by introducing computer literacy to the students in Government Schools.

Leadership in Information and Communication Technology (ICT) is expected to be maintained by the Company. Approximately 2000-3000 schools are expected to be added in the next 2-3 years under ICT project. We are currently implementing ICT and CALP programs in 6850 Government schools. Compucom aims to usher an era of anytime, anywhere learning to break down the barriers to education.

We believe Compucom would witness exponential growth, the seamless execution of which would require huge cash flow, substantial human resources and an efficient management. Businesses mainly operate on BOOT basis and are capital-intensive. All projects would require large upfront investments. Compucom would build and maintain the entire IT infrastructure of a school and receive fixed annuity in return, either on a quarterly or a semi-annual basis. Compucom has successfully implemented the BOOT model in over 6850 schools across the country.

*Sarva Shiksha Abhiyan (SSA)* is an effort to universalize elementary education by community-ownership of the school system. It is a response to the demand for quality basic-education across the country. The SSA programme is also an attempt to provide an opportunity for improving human capabilities through provision of community owned quality education. It aims to provide useful and relevant elementary education for all children within the 6-14 age groups. The programme also aims to bridge social, regional and gender gaps, with the active participation of the community in the management of schools. The increased allocation to the SSA and Secondary Education will have a positive impact on all the IT training companies including Compucom as there would be increased allocation to computer training as well. The budget has also been positive for the IT-Training companies with increased allocation to the SSA and Secondary Education. Along with this, the demand for corporate training is increasing with more and more companies outsourcing training to specialized IT training companies hence the growth of the IT-Training companies will be further boosted.

**(ii) Software & E-Governance Services:** Traditionally the Company has been focusing on software export market but the way India is emerging as a power house economy, many more software service opportunities in Government sector are emerging in areas of Power Utilities, Education, Rural Development, Infrastructure Development etc. Your Company has put significant efforts in harnessing this E-Governance business. Your Company is also serving overseas clients by providing software development, testing and maintenance and customer support services. The Company has developed its own news portal which works in conjunction with its satellite TV Channel and has added shimmer to the Company's brand image and generated new business opportunities.

**(iii) Media Services:** Your Company's subsidiary CSL Infomedia Pvt. Ltd. has successfully completed one year operation of its Satellite TV Channel "JAN TV" which is a vehicle of Educational, Financial, Social and Political

change. This Channel offers Education, Employment, Skill Development, Agriculture, Tourism, Healthcare, Religious, Sports, Entertainment and News and Current Affairs based programmes. The Channel is available on Reliance DTH platform on channel number 422, BSNL IPTV across North India on channel number 174, Cable Network across Rajasthan and Bihar and across the globe through its portal [www.jantv.in](http://www.jantv.in). Your Company has also opened its media academy for providing training in skill development to candidates who want to make their career in media sector. CSL Infomedia Pvt Ltd has also started another Satellite TV channel 'Jan TV Plus' which is an infotainment channel. Jan TV Plus is currently available on BSNL IPTV channel no. 173 and on various local cable networks in Rajasthan and is also available globally through its portal [www.jantvplus.in](http://www.jantvplus.in) on computer and mobile devices. Jan TV and Jan TV Plus, both channels have been empanelled with Department of Information and Public Relations (DIPR) Government of Rajasthan. Jan TV channel has also been empanelled with Department of Audio Video Promotions (DAVP) Government of India.

**(2) Threats:**

- (i) **Competitive pressures:** IT is one sector that is spreading its wing fast throughout the world and India is becoming a preferred destination for global IT players. As a result the competitive pressure is intensifying. The Company has to operate in this competitive scenario and acquire a grip on the market to hold its foot firmly and upkeep the brand name.
- (ii) **Talent supply constraint:** Both, the IT as well as the manufacturing sector seek talent. This increases the cost of the talent. The Company has to ensure that it acquires good talent and retains it in order to constitute its major competitive edge. The Company maintains excellent work environment and competitive package for this purpose.
- (iii) **Technology Obsolescence:** These are the days when technology takes no time to become obsolete. Thus, to be at par with its competitors the Company has to ensure that it constantly updates and upgrades its technology.
- (iv) **Exchange Rates:** Since the Company uses India as a major source of manpower, the exchange rate of the rupee vis-à-vis the US-dollar and other currencies affect its ability to compete. The Company attempts to minimize the foreign exchange exponent by taking appropriate measures wherever required.
- (v) **Government Policies:** As and when there is a change in the Government, there might be a change in its policies too. Any adverse changes in its policies may affect the business operations of the Company.
- (vi) **Downturn in industries being served:** Any downturn in the industry being served could have an impact on the Company's business.

**C. Segment-wise or product wise performance:** Detailed information about segment performance has been given in the Financial Statements. See the Financial Statements – Notes on Accounts, Note No. 13.

**D. Outlook:** The Company has a positive outlook for the coming year and endeavors to achieve a steady business performance in the coming year. This is however, subject to risks and uncertainties given below.

**E. Risks and Concerns:** It is difficult to pen-down the risks and uncertainties with certainty. They are not limited to risks and uncertainties regarding fluctuating earnings, interest rates, exchange rates, the Company's ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increase, earnings and exchange rate fluctuations, intense IT competition, Government policies, ability to attract and retain skilled professionals, time- cost over-runs on fixed price contracts, client concentration, ability to manage the international marketing and sales operations as well as the local operations, alterations of the government fiscal incentives, political instability, legal framework and above all general economic conditions affecting the industry.

**F. Internal control systems and their adequacy:** The Company has professional and an adequate internal control system and procedure commensurate with the size of organization and nature of business. This provides adequate safeguards and effective monitoring of the transactions. All areas of the Company's operations are covered by such internal control systems.

**G Discussion on financial performance with respect to operational performance:**

**(i) Financial condition:**

- 1. **Share capital:** The Company has only one class of shares namely equity shares. The face value of the shares is Rs. 2/- per share. The paid up capital of the Company is Rs. 15,82,50,376/-

**2. Reserves & Surplus :** **(Rs. in Lacs)**

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Profit & Loss Account	5979.23	5578.05
General Reserves	1519.03	1419.03
Securities Premium	1352.97	1352.97
Capital Reserve	209.22	50.72
<b>Total</b>	<b>9060.45</b>	<b>8400.77</b>

**3. Fixed Assets :** (Rs. in Lacs)

Particulars	31.03.2013	31.03.2012
Gross Block	14488.33	12217.91
Accumulated depreciation	9894.61	8091.61
<b>Net Fixed Assets</b>	<b>4593.73</b>	<b>4126.30</b>
Total Income/Net Block	1.60	1.74
Acc.Dep. as % of Gross Block	68.29	66.23

**4. Investments:** The cash surplus available with the Company in FY 2012-13 has been invested in the Fixed Deposits. The details of investment made by the Company during the Financial Year are as under:

Particulars	31.03.2013	31.03.2012
Equity Investments in ITneer Inc.(100% subsidiary)	439.24	439.24
Equity Investments in CSL Infomedia Pvt Ltd.	455.00	325.00
Equity Shares	1.26	1.11
Investments in Mutual Funds	4.31	3.66
Other Investments	9.15	21.40
<b>Total</b>	<b>908.96</b>	<b>790.41</b>

**5. Non-Current & Current Liabilities:** (Rs. In Lacs)

Particulars	31.03.2013	31.03.2012
Long-Term Borrowings	1650.04	1896.56
Deferred Tax Liabilities (Net)	0.00	102.13
Other Long Term Liabilities	69.97	55.25
Long-Term Provisions	1290.09	1756.18
Short-Term Borrowings	276.52	177.60
Trade Payables	750.63	646.56
Other Current Liabilities	2611.50	1525.73
Short-Term Provisions	551.01	426.39
<b>Total</b>	<b>7199.76</b>	<b>6586.39</b>

**6. Trade Receivable:** (Rs. in Lacs)

Trade Receivable	7475.58	7926.90
<b>Total</b>	<b>7475.58</b>	<b>7926.90</b>

Trade Receivables are mainly related to Govt. Schools of Rajasthan. These debtors are considered good and are realisable.

**II) Financial Review:**

**(i) Income:** The Company derives its income from software & E-Governance services, sale of software products, learning solutions, IT education and training, Wind Power Generation, and treasury income. Treasury income mainly includes interest on FDRs.

Particulars	31.03.2013	31.03.2012
Software & E-Governance Services - Overseas	201.26	193.50
<i>Domestic</i>	383.73	501.49
Learning Solution	6334.30	6096.27
Wind Power Generation	208.43	204.05
Other Income	219.87	187.35
<b>Total</b>	<b>7347.59</b>	<b>7182.66</b>

**A. Software Services:** Compared to last year this sector has witnessed a moderate increase on the overseas front due to improvement in US Economy. However software & E-Governance sector & business at domestic level has shown negative growth in the current fiscal year due to closure of JVVNL Project.

**B. Learning Solution:** Learning Solution comprises imparting computer education in Govt. Schools, providing computer education to general public through Franchisees and Authorized Business Associates (ABA's) and IT finishing school.

Regarding the learning solution apart from the ICT and CALP Projects of Government schools, the Company indulges in providing skill development training to engineering & other curriculum batches, as well as government & other employees.

**C. Wind Power Generation:** The Company has set up five wind power plants two in Sikar and two in Jaisalmer, Rajasthan and one in Krishna, Andhra Pradesh. Enercon India Limited now renamed as Wind World India takes care of the wind power project for the Company and deals on behalf of the Company with all regulatory bodies.

**D. Foreign Exchange Risks/ Exposures:** The Company operates from India with execution facilities in USA. A significant portion of revenue, expenses related to Software business is carried out in US Dollar operations, subject to foreign exchange exposure for the last two years as mentioned below:

Particulars	(Rs. in Lacs)	
	31.03.2013	31.03.2012
Revenue in Foreign Currency	201.26	193.50
Revenue Expenses in Foreign Currency	0.91	1.54
Capital Expenses in Foreign Currency	-	-
Net Exchange Earning	200.35	191.96

**(ii) Expenditure:** (Rs. in lacs)

Particulars	31.03.2013	% of Total Revenue	31.03.2012	% of Total Revenue
<b>Total Revenue</b>	<b>7347.59</b>	<b>100.00</b>	<b>7182.66</b>	<b>100.00</b>
<b>Expenses</b>				
Manpower Expenses	256.36	3.49	202.65	2.82
Learning Solution Execution Charges	1982.81	26.99	1942.41	27.04
Administrative & Other Expenses	1529.82	20.82	817.08	11.38
Finance Cost	440.47	5.99	528.31	7.36
Depreciation	1843.40	25.09	2463.16	34.29
<b>Profit Before Tax</b>	<b>1294.75</b>	<b>17.62</b>	<b>1229.05</b>	<b>17.11</b>
Provisions For Income Tax	425.73	5.79	119.92	1.67
<b>Profit After Tax</b>	<b>869.02</b>	<b>11.83</b>	<b>1109.13</b>	<b>15.44</b>

**(iii) Interest:** The Company relies on the internal accruals and/or term loans for financing the IT/ ICT projects awarded by the Government. Interest paid during the year amounts to Rs. 359.77 Lacs and Company has not defaulted in the payment of principal and interest during the year.

**Results of Operations of Subsidiaries:** ITneer, Inc. USA is a wholly owned subsidiary of Compucom Software Limited. It provides marketing services and other support services for Compucom Software Limited business. It also addresses the USA based software services opportunities for the Company. The Company is operating out of its own premises in Atlanta, USA.

CSL Infomedia Pvt. Ltd. is another subsidiary of the Company operating mainly in Multimedia, Content Development and Media Planning area. This Company is gearing up for satellite based education, TV and other media opportunities. During F.Y. 2012-13 this subsidiary Company has launched a satellite TV Channel namely 'JAN TV'.

**Human Resource Development:** Human resource development is paramount in every organization. The management continues to lay emphasis on identifying and developing talent on organization with a view to retain them and impart further training to those capable of handling additional responsibilities. This works to increase employee satisfaction within the organization, by providing employees with fresh challenges. Developing people and harnessing their ideas is of high priority for the Company.

**Number of Employees:** The Company had 560 permanent employees on its pay roll as on March 31, 2013.

**Cautionary Statement:** Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

**For and on behalf of the Board**

**Surendra Kumar Surana**  
Managing Director & CEO

Jaipur  
July 31, 2013

**Shubh Karan Surana**  
Director



## Corporate Social Responsibility

“For Compucom, CSR is giving back graciously to society a piece of our success”

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**Corporate Social Responsibility is a way of life and is well-integrated with our Business Strategy. Keeping this in mind, we have coined our Vision on Corporate Social Responsibility as:**

Compucom has always believed that business can – and should – have a positive impact on the communities they serve and on the environment. Compucom is committed not just towards profitable growth, but also towards leaving a deeper imprint on the society as a whole. All our actions are aimed towards help in replenishing the planet and lending a helping hand to the community. This means improving the livelihood of our employees, creating opportunities for career growth and employment and being responsible partners in the development of our city and nearby villages. This is our philosophy of business being a force of good. Nonetheless, in times of need we would lend a helping hand to build enabling infrastructure for areas in need. For example: In our own premises we started a green cover expansion drive, wherein we plant additional trees in our unutilized open spaces at the start of each monsoon season.

To achieve our Corporate Social Responsibility Vision, we focus on:

### **Environment Awareness:**

Environment awareness promotion, volunteer reduction in consumption of paper through programs like double side printing, reduced scale printing and reusing one sided paper. Same types of innovative efforts are done in reducing usage of water and electricity. Plantation using the waste water is one of the key highlights. Strategic deployment of lighting and that too with less power consumption shows the Company commitments in energy saving. Company has established RO water purifiers to provide safe drinking water. ISO audit check for the quality of services rendered.

### **Use of Renewable Energy Resources:**

As per Green Initiative slogan given by the Hon'ble Chief Minister of Rajasthan your Company sharing to every co-location and adding the networks which helps in bringing down the energy consumption and as part of the program, we focus on use of Renewable Energy Resources. During 2012-13 the Company has undertaken installation of solar photovoltaic panels on rooftop, utilization of daylight through “light pipes” which helps us to save CO2 emissions.

### **Contribution towards Society:**

Your Company is contributing towards power generation through wind mills around the country to promote an eco-friendly measure to generate power. During the year the Company planted trees in Jaipur city. Company contributes to many welfare funds i.e. JAI DURGA WELFARE SOCIETY for care of homeless/orphan children, CHIEF MINISTER RELIEF FUND. Company continues to support communities, through charity and social investment in education, nutritional hygiene and disaster relief areas.

Your Company has also contributed to “AKSHAY PATRA FOUNDATION” which arranges Mid-day meal program for under-privileged children studying in Government schools and “LALA CHAMAN LAL EDUCATIONAL TRUST” which is dedicated for the Education & Training for physically impaired students.

### **Helping Underprivileged Children through ‘Education’ Sponsorship:**

In other CSR activities Company took interest in educational causes, sports events, computer training at orphanages, organizing blood donation camps, donation to blind hospitals and providing scholarship to needy students. Your Company continues to operate five mobile computer labs equipped with state of art IT peripherals, established on high end buses, under project “JanGyan” to provide hands on computers to students of rural govt. schools across state of Rajasthan. As a commitment towards the young generation, Company offers opportunity to college students to work as apprentice at no or nominal fees. This ensures higher employability of these trainees. These efforts have been appreciated by the student’s community. Company is planning to take this concept to other geographies and will like to serve as vehicle of national development. Company has been adopting children every year from SOS Village and sponsoring their education.

With our commitment towards the social and development initiatives, we are hopeful that we will be able to lend a higher sustainability to our Corporate Social Responsibility agenda and help ‘make a difference’.

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013**

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Compucom Software Limited is committed to conduct its business based on the highest standards of Corporate Governance. The Company's philosophy on Code of Governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with its employees, shareholders, creditors, consumers, dealers, lenders and ensuring high degree of regulatory compliances. The Company also believes that its system and procedures will enhance corporate performance and maximize shareholders value in long term.

Our Corporate Governance philosophy is based on the following principles:-

- Satisfy the spirit of law and not just the letter of law.
- Be transparent and maintain high degree of disclosure levels.
- Have a simple and transparent corporate structure driven solely by business needs.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Management is the trustee of the shareholder's capital and not the owner.

The Board of Directors is at the core of our Corporate Governance practice and oversees how the management serves and protects the long term interests of all our stakeholders. We believe that an active, well informed and independent Board is necessary to ensure the highest standards of Corporate Governance. It is well recognized that an effective Board of Directors is a pre-requisite for strong and effective Corporate Governance. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

The Company's Corporate Governance philosophy has been further strengthened through the Compucom business excellence model, the Compucom Code of Conduct for prevention of insider trading, and the code of corporate disclosure practices. The Company has in place an information security policy that ensures proper utilization of IT resources.

Accordingly, this Company's philosophy extends beyond what is being reported under this report and it has been the Company's constant endeavor to attain the highest levels of Corporate Governance. In terms of Clause 49 of the Listing Agreement, requisite particulars of Corporate Governance in the Company are furnished hereunder:

**2. BOARD OF DIRECTORS:**

**(i) Composition of the Board as on 31 March, 2013:**

Name of the Director	Designation	DIN
Mr. Shubh Karan Surana	Non-Executive & Non-Independent Director	00341082
Mr. Ajay Kumar Surana	Non-Executive & Non-Independent Director	01365819
Mr. Surendra Kumar Surana	Managing Director/Executive Director	00340866
Mr. Ramesh Chand Jain	Non-Executive & Independent Director	00981936
Mr. Stephen Carl Viehman	Non-Executive & Independent Director	01388313
Mr. G. L. Chaudhary	Non-Executive & Independent Director	03602194

**(ii) Attendance of each of the Directors at the said Board Meetings/Annual General Meeting/Extra Ordinary General Meeting is given below:**

Name of the Director	Category	No. of Board Meetings (During the year)		Whether last AGM attended
		Held	Attended	Held / Attended
Mr. Shubh Karan Surana	NED	4	4	Yes
Mr. Ajay Kumar Surana	NED	4	3	No
Mr. Surendra Kumar Surana	MD	4	4	Yes
Mr. Stephen Carl Viehman	NED : I	4	4	No
Mr. G.L. Chaudhary	NED : I	4	4	Yes
Mr. Ramesh Chand Jain*	NED : I	4	2	Yes
Mr. Rajendra Prasad Udawat#	NED : I	4	2	Yes
Dr. Anjila Saxena#	NED : I	4	1	No

NED: Non-Executive Director

MD: Managing Director

I: Independent Director

# Retired by rotation in last Annual General Meeting held on September 18, 2012

\* Appointed as an Additional Director w.e.f August 01, 2012 and regularized as Director in the Annual General Meeting held on September 18, 2012.

**(iii) Number of Board or Board Committee of which a Director is a member or Chairperson (Only the membership(s) of Audit Committee and Shareholders' Committee other than Compucom Software Limited considered as per Clause 49 of the Listing Agreement). Details as on March 31, 2013 are hereunder:**

<b>Name of the Director</b>	<b>Number of other Company's Directorships</b>	<b>Number of other Committee Membership(s)</b>	<b>Number of other committees in which Chairperson</b>
Mr. Shubh Karan Surana	Nil	Nil	Nil
Mr. Ajay Kumar Surana	Nil	Nil	Nil
Mr. Surendra Kumar Surana	Nil	Nil	Nil
Mr. Stephen Carl Viehman	Nil	Nil	Nil
Mr. Rajendra Prasad Udawat#	Nil	Nil	Nil
Dr. Anjila Saxena #	Nil	Nil	Nil
Mr. G. L. Chaudhary	Nil	Nil	Nil
Mr. Ramesh Chand Jain*	Nil	Nil	Nil

# Retired by rotation in last Annual General Meeting held on September 18, 2012.

\* Appointed as an Additional Director w.e.f. August 1, 2012 and regularized as Director in the Annual General Meeting held on September 18, 2012.

Note: Excluding the Directorship of Private Limited Companies and Foreign Companies.

- (iv) 4(four) Board Meetings were held during the Financial Year from April 1, 2012 to March 31, 2013 and the gap between two Meetings did not exceed 4(Four) months. The dates on which the Board Meetings were held are as follows: May 26, 2012; August 1, 2012; November 10, 2012; February 5, 2013.
- (v) None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2013.
- (vi) The Board functions as a full Board or through various Committees constituted for specific operation areas. The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.
- (vii) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- (viii) The individual details of the Directors seeking appointment / reappointment at the ensuing Annual General Meeting of the Company are provided in the explanatory statement accompanying the notice of the Annual General Meeting.

**COMMITTEES OF THE BOARD:** Currently, the Board of the Company has three sub-committees namely Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee. Draft minutes of the Meetings are circulated to the members of the Committees for their comments and thereafter, confirmed in the next Meeting. The Board of Directors of the Company also takes note of the minutes of the Committee Meetings at its Meetings.

**3. AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

**(i) The terms of reference of the Audit Committee are broadly as under:**

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements reflect a true and fair position as well as to ensure that sufficient and credible information are disclosed.
- Recommend the appointment and removal of external auditors, fixation of audit fees and to approve the payment for any other services.
- Discussion with statutory auditors before the audit commences on the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Financial Statements and draft audit report, including quarterly / half yearly financial information.
- Review of the annual Financial Statements with the management before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by management.
  - Qualifications in draft Audit Report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.

- Compliance with Accounting Standards.
- Compliance with Stock Exchange and legal requirements concerning Financial Statements.
- Any Related Party Transactions as per Accounting Standard 18
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Review the adequacy of internal control systems with the management and external auditors.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal audit department on any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

**(ii) Composition of the Audit Committee as on 31<sup>st</sup> March, 2013:**

<b>Name of the Director</b>	<b>Category</b>
Mr. Shubh Karan Surana	Non Independent and Non-Executive
Mr. G. L. Chaudhary	Independent, Non-Executive/Chairperson
Mr. Ramesh Chand Jain	Independent, Non-Executive

**(iii) Number of Meetings Held:**

4 (Four) Audit Committee Meetings were held during the Financial Year April 1, 2012 to March 31, 2013 on the following dates:

May 24, 2012; July 30, 2012; November 8, 2012 and February 2, 2013.

<b>Name of the Director</b>	<b>Number of Meetings during the year 2012-2013</b>	
	<b>Held</b>	<b>Attended</b>
Mr. Shubh Karan Surana	4	4
Mr. G. L. Chaudhary	4	2
Mr. Ramesh Chand Jain*	4	2
Mr. Rajendra Prasad Udawat#	4	2
Dr. Anjila Saxena#	4	1

# Retired by rotation in last Annual General Meeting held on September 18, 2012.

\* Appointed as an Additional Director w.e.f. August 1, 2012 and regularized as Director in the Annual General Meeting held on September 18, 2012.

Note: Mr. Rajendra Prasad Udawat was the Chairperson of Audit Committee held on May 24, 2012 and July 30, 2012 and Mr. G. L. Chaudhary thereafter held the position of the Chairperson.

The necessary quorum was present in all the Meetings.

- (iv)** The Audit Committee Meetings are usually held at the corporate office of the Company and are usually attended by the Manager – Finance/ CFO and representatives of the Statutory Auditors. The operation heads are invited to the meetings as and when required. The Company Secretary acts as the Secretary to the Committee.

**4. REMUNERATION COMMITTEE:**

- (i) Terms of Reference:** The function of the Committee includes recommendation of remuneration, promotions, increments etc. for the Executive Directors to the Board for approval. The Committee is empowered: -
- (1) To recommend to the Board on the remuneration including payment of performance bonus to the Managing Director within the limits prescribed by the shareholders.
  - (2) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend /approve.
- (ii) Composition, name of the Members and Chairperson as on March 31, 2013:** As per the provisions of the Listing Agreement and Schedule XIII to the Companies Act, 1956

<b>Name</b>	<b>Category</b>
Mr. G. L. Chaudhary	Independent, Non-Executive
Mr. Shubh Karan Surana	Non-Independent, Non-Executive
Mr. Stephen Carl Viehman	Independent Non-Executive/Chairperson

**(iii) Attendance:**

<b>Name</b>	<b>Category</b>	<b>No. of Meetings held during the year 2012-13</b>	<b>No. of Meetings attended during the year 2012-13</b>
Dr. Anjila Saxena#	Independent, Non-Executive	Nil	Nil
Mr. G. L. Chaudhary	Independent, Non-Executive	Nil	Nil
Mr. Shubh Karan Surana	Non-Independent, Non-Executive	Nil	Nil
Mr. Stephen Carl Viehman	Independent Non-Executive	Nil	Nil

# Retired by rotation in last Annual General Meeting held on September 18, 2012.

**(iv) Remuneration Policy:** The remuneration to the Managing Director is decided on the basis of the following broad criteria:

- (a) Industry trend.
- (b) Remuneration package in other comparable corporate.
- (c) Job Responsibilities.
- (d) Company performance and individual key performance areas.

**(v)** The details of remuneration & sitting fees paid to the Directors during the year ended on March 31, 2013 are as follows:

<b>Name of the Director</b>	<b>Salary</b>	<b>Sitting Fee</b>	<b>Comm- ission</b>	<b>Stock Option</b>	<b>Service Contract</b>	<b>Notice Period</b>	<b>No of shares held</b>
Mr. Shubh Karan Surana	N.A.	30,000	NIL	NIL	NIL	NIL	8,11,050
Mr. Ajay Kumar Surana	N.A.	9,000	NIL	NIL	NIL	NIL	4,75,500
Mr. Surendra Kumar Surana	9,72,000	N.A.	N.A.	N.A.	N.A.	N.A.	17,70,300
Dr. Anjila Saxena#	N.A.	6,000	NIL	NIL	NIL	NIL	NIL
Mr. Stephen Carl Viehman	N.A.	12,000	NIL	NIL	NIL	NIL	2,10,000
Mr. Rajendra Prasad Udawat#	N.A.	15,000	NIL	NIL	NIL	NIL	NIL
Mr. G. L. Chaudhary	N.A.	24,000	NIL	NIL	NIL	NIL	NIL
Mr. Ramesh Chand Jain*	N.A.	15,000	NIL	NIL	NIL	NIL	NIL

# Retired by rotation in last Annual General Meeting held on September 18, 2012.

\* Appointed as an Additional Director w.e.f. August 1, 2012 and regularized as Director in the Annual General Meeting held on September 18, 2012.

**(vi)** Total remuneration paid to the Managing Director for the Financial Year 2012-13 is Rs. 9,72,000/-. No other perquisite was provided to the Managing Director.

**(vii)** The contract for service, notice period, severance fees etc. are applied as per the rules of Company framed by the Board of Directors from time to time.

**(viii)** The Company paid no other remuneration to Non-Executive Directors except sitting fees during the Financial Year 2012-13. The sitting fees paid to the Non-Executive Directors was Rs. 3,000/- for their attendance at every Meeting of the Board or Committee.

**(ix)** Non-Executive Directors Shareholding: (As on March 31, 2013)

<b>Name of the Director</b>	<b>No. of Shares held</b>	<b>% of Paid up capital</b>
Mr. Shubh Karan Surana	8,11,050	1.025
Mr. Ajay Kumar Surana	4,75,500	0.600
Mr. Stephen Carl Viehman	2,10,000	0.265

No other Non-Executive Directors have any shareholding in the Company.

**5. INVESTORS RELATION/SHAREHOLDERS COMMITTEE:**

- The Company has constituted a Shareholders / Investors Relation Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to Demat accounts, non-receipt of dividend / notices / annual reports, facilitation of better investor services etc.
- The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and therefore an Investor Relations Department (IRD) was set up which focus on servicing the needs of investors, analysts, brokers and public.

- (i) There were 2 (Two) Meetings of the Investors' Relation Committee held on July 30, 2012 in which Mr. G. L. Chaudhary was the Chairman and February 2, 2013 in which Mr. Ramesh Chand Jain was the Chairman.
- (ii) **Name and Designation of Compliance Officer:** The Company Secretary of the Company CS Swati Jain acts as the Secretary of the Committee.

**(iii) Complaints Status:**

Received during the year	Resolved during the year	Pending during the year
34	34	0

- (iv) Meetings and attendance during the year:

Name	Category	No. of Meetings during the year 2012-13	No. of Meetings attended during the year 2012-13
Mr. Shubh Karan Surana	Non-Independent, Non-Executive	2	2
Mr. Rajendra Prasad Udawat#	Independent, Non-Executive	2	1
Dr. Anjila Saxena#	Independent, Non-Executive	2	0
Mr. G. L. Chaudhary	Independent, Non-Executive	2	2
Mr. Ramesh Chand Jain*	Independent, Non-Executive	2	1

# Retired by rotation in last Annual General Meeting held on September 18, 2012.

\* Appointed as an Additional Director w.e.f. August 1, 2012 and regularized as Director in the Annual General Meeting held on September 18, 2012.

The Committee expresses satisfaction with the Company's performance in dealing with investor grievances and its shares transfer system.

The investor grievances can also be placed on the e-mail: [investor@compucom.co.in](mailto:investor@compucom.co.in)

**6. SUBSIDIARY COMPANIES:**

The Company does not have any material non-listed Indian Subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company.

**7. GENERAL MEETINGS:**

Details of the Annual General Meeting:

Number	Location	Date	Time	Special Resolution
18 <sup>th</sup>	"Krishna Auditorium", Compucom Engineering College Compound, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).	September 18, 2012	11:30 A.M.	None
17 <sup>th</sup>	"Krishna Auditorium", Compucom Engineering College Compound, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).	September 9, 2011	12:15 P.M.	None
16 <sup>th</sup>	IT 14-17, EPIP, Sitapura, Jaipur- 302022 (Rajasthan)	September 18, 2010	11:30 A.M.	None

- (i) **Postal Ballot:** During 2012-13, no resolution was passed through postal ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing through postal ballot.

- (ii) **Extra Ordinary General Meeting:** During the last three Financial Years 1 (One) Extra Ordinary General Meeting was held on October 25, 2010 at 4:00 P.M. at the registered office of the Company and the following special business was transacted by special resolution:

- (1) Alteration in AOA for power to issue share warrants.
- (2) Issue of equity shares on preferential basis and convertible warrants to promoters and non-promoters.

**8. DISCLOSURES:**

- (i) **Materially significant Related Party Transactions:** There have been no materially significant related party transactions or relationships between the Company and its Directors that may have potential conflict with the interest of the Company.

- (ii) **Strictures or Penalties:** During the last three years, there were no strictures or penalties imposed either by the SEBI or the Stock Exchanges or any other Statutory Authorities for non-compliance of any matter related to Capital Markets
- (iii) **Compliance with Code of Conduct and Whistle Blower Mechanism:** The Company has laid down a Code of Conduct for all its employees across the organization. The Code of Conduct of the Company lays down that the employees shall promptly report and suggest without hesitation in reporting a violation or breach to the concerned superior. The code provides that the Company shall support and protect employees for doing so.

The Company has established necessary mechanism in line with requirement given under Clause 49 of the Listing Agreement for employees to report concerns about unethical behavior. No personnel have been denied access to the Audit Committee.

- (iv) **Compliance with Recommendatory and other Mandatory Requirements:**
  - a) The Company follows the guidelines as recommended from time to time by Institute of Company Secretaries of India. One such instance is the adoption of Secretarial Standards in respect to preparation and recording of minutes and other statutory records and registers.
  - b) In respect to audit qualifications, the Company is making conscious efforts towards moving into a regime of unqualified financial statements.
  - c) The Board has already set up a Remuneration Committee, the details of which have already been made in this report.
- (v) **Financial Statements/Accounting treatments:** In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by The Institute of Chartered Accountants of India to the extent applicable. Certificate from the Managing Director and the Chief Financial Officer of the Company on the Financial Statements of the Company was placed before the Board.
- (vi) **Board Disclosures – Risk Management:** The Company has laid down systems to inform Board about the risk assessment and minimization procedures. The risks and Company’s mitigation strategies are periodically discussed and reviewed by Board of Directors to ensure effective controls.
- (vii) **Management:** A detailed report on Management Discussion and Analysis is given as a separate section in this Annual Report. During the year, there have been no material financial and commercial transactions made by the management where they have personal interest that may have a potential conflict with the interest of the Company at large.

**9. MEANS OF COMMUNICATION:**

- (i) The quarterly, half-yearly and annual results of the Company are regularly published in the newspapers in terms of Clause 41 of the Listing Agreement.
- (ii) Newspapers in which results of the Company are normally published: (a) Business Standard, in English (National) (b) Mahanagar Times, in Hindi (Vernacular).
- (iii) The Company results and official news releases etc. are displayed on the Company’s website [www.compucom.co.in](http://www.compucom.co.in).
- (iv) The Company’s results and other Corporate Announcements are regularly sent to the Bombay Stock Exchange Limited, Mumbai, National Stock Exchange Limited, Mumbai and Calcutta Stock Exchange Limited, Kolkata.
- (v) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are filed electronically on NEAPS.
- (vi) **BSE Corporate Compliance & Listing Centre (the “Listing Centre”):** The Listing Centre of BSE is a web based application designed by BSE for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre.
- (vii) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**10. GENERAL SHAREHOLDERS INFORMATION:**

- (i) **Annual General Meeting Date, Time and Venue**

Thursday, September 19, 2013 at 11.30 A.M.  
 “Krishna Auditorium”, Compucom Engineering College Compound, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).
- (ii)
  - a) **Financial Year:** April 1 to March 31
  - b) **Financial Calendar(Tentative):**
    - Results for the 1st Quarter ending June 30th, 2013** Last week of July, 2013
    - Results for the 2nd Quarter ending September 30th, 2013** First week of November, 2013
    - Results for the 3rd Quarter ending December 31st, 2013** First week of February, 2014
    - Results for the 4th Quarter ending March 31st, 2014** Last week of May, 2014

- (iii) **Book Closure:** Monday, September 16, 2013 to Thursday, September 19, 2013 (both days inclusive) during the Financial Year.
- (iv) **Dividend Payment Date** Final dividend to be paid on or after September 19, 2013 subject to the approval of shareholders in the Annual General Meeting.
- (v) **Listing on Stock Exchanges:** The shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai, National Stock Exchange of India Limited, Mumbai, Calcutta Stock Exchange Limited, Kolkata The Annual Listing fee for Financial Year 2013-14 has been paid.
- (vi) **Stock Code/ Symbol** BSE 532339  
NSE  
Symbol: COMPUSOFT  
Series: EQ
- ISIN (International Securities Identification Number):** INE453B01029
- (vii) **Market Price data:**  
**High/Low during each month in last Financial Year** Please see **Annexure No. I** of this report.
- (viii) **Share performance data:**  
**High/Low during each month in last Financial Year** Please see **Annexure No. II** of this report
- (ix) **Registrar for dematerialization and physical transfer of shares** The Company has appointed a Registrar for dematerialization (Electronic Mode) and Physical transfer of shares whose details are given below  
MCS Limited  
Unit: Compucom Software Limited  
F-65 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1,  
New Delhi-110020  
Ph. : +91-11-41406149, Fax : +91-11-41709881  
E-mail : [admin@mcsdel.com](mailto:admin@mcsdel.com)
- (x) **Share Transfer System** The Company has appointed a common Registrar for the physical share transfer and dematerialization of shares. The shares lodged for the physical transfer/transmission/transposition are registered normally within a period of fortnight, if the documents are complete in all respects. For this purpose, the share transfer committee meets often as and when required. The Company obtains half yearly certificate of compliance with share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchange from a Company Secretary in practice and also file a copy of the certificate with the Stock Exchanges.  
Annexure III Table I & II
- (xi) **Distribution Schedule & Distribution of Shareholding Pattern**
- (xii) **Dematerialization of Shares and Liquidity** 97.6% of the paid-up capital is held in dematerialized form and are frequently traded.
- (xiii) **Address for Correspondence** The shareholders may address their communication/ suggestions/grievances /queries relating to shares of the Company to the Company Secretary  
Compucom Software Limited  
IT 14-15, EPIP, Sitapura, Jaipur- 302022 (Rajasthan)  
Tel Nos.:0141-5115908  
Email: [investor@compucom.co.in](mailto:investor@compucom.co.in)
- (xiv) **Registered Office** IT 14-15, EPIP, Sitapura, Jaipur- 302022 (Rajasthan)



**(xvi) Unclaimed Dividend**

Pursuant to Section 205 A of the Companies Act, 1956, the dividend for following years, if unclaimed for 7(Seven) years, will be transferred by the Company to Investor Education and Protection Fund according to the schedule given below. Members, who have not claimed the dividend for these periods are requested to lodge their claim with the Company, as no claim shall be entertained for the unclaimed dividend once the same has been transferred to Investor Education and Protection Fund, Government of India.

Financial Year	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend as on 31.03.13 (Rs.)	Due for transfer to IEPF on
2005-06 (Final)	6-Sep-2006	75,37,500.00	1,01,122.00	October, 2013
2006-07(Interim)	30-Jan-2007	75,37,500.00	94,648.00	February, 2014
2006-07 (Final)	11-Sep-2007	75,37,500.00	2,15,588.50	October, 2014
2007-08(Interim)	4-Feb-2008	75,37,500.00	2,18,450.00	March, 2015
2008-09 (Final)	18-Sep-2009	10,050,000.00	1,92,343.00	October, 2016
2009-10(Interim)	21-May-2010	10,050,000.00	91,674.00	June, 2017
2010-11(Final)	9-Sep-2011	23,737,556.40	1,82,983.50	October, 2018
2011-12(Final)	18-Sep-2012	23,737,556.40	2,28,152.10	October,2019
<b>Total Unclaimed Amount</b>			<b>1,324,961.10</b>	

**11. CODE FOR PREVENTION OF INSIDER TRADING:**

The Company has adopted a share dealing code for the prevention of insider trading in the shares of the Company. The share dealing code, inter alia, prohibits purchase / sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

**12. CEO/CFO CERTIFICATION:**

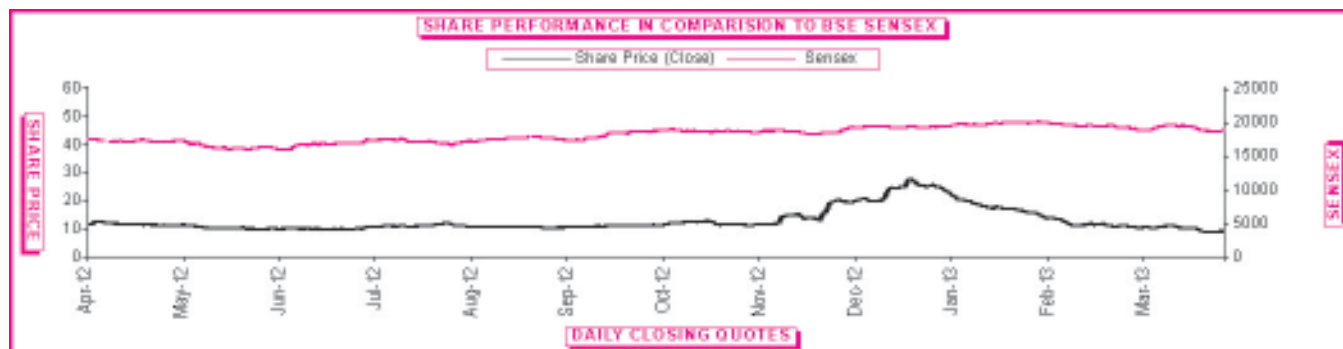
As required under Clause 49 of the Listing Agreement, the CEO/CFO certification and the code of conduct is provided elsewhere in the Annual Report.

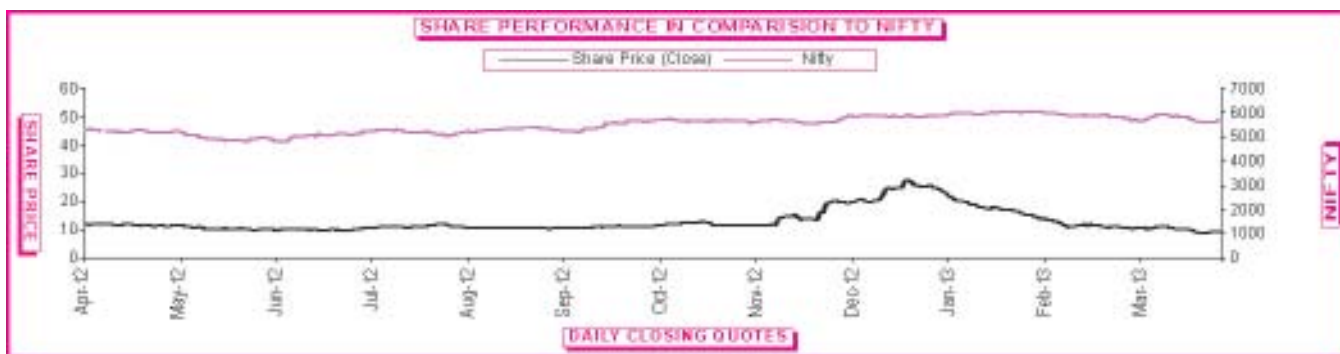
**Annexure I - Market Price Data – High/Low during each month in the year 2012-13:-**

Month	BSE		Month	NSE	
	Market Price (Rs.)			Market Price (Rs.)	
	High	Low		High	Low
April-12	13.90	11.00	April-12	13.35	10.00
May-12	11.65	9.35	May-12	11.75	9.15
June-12	11.00	9.75	June-12	11.00	8.55
July-12	12.47	10.11	July-12	12.50	10.15
August-12	11.45	10.34	August-12	11.80	10.00
September-12	11.85	10.20	September-12	12.85	10.00
October-12	13.28	10.77	October-12	13.30	10.10
November-12	21.15	11.54	November-12	21.20	11.10
December-12	29.25	19.85	December-12	29.30	19.70
January-13	25.00	13.50	January-13	24.00	13.35
February-13	14.80	10.30	February-13	14.95	10.30
March-13	11.50	8.70	March-13	11.50	8.70

**Annexure II Performance in comparison to broad based Indices as BSE SENSEX and NSE NIFTY.**

The above chart depicts daily closing quotes on Bombay Stock Exchange for the year ended March 31, 2013 & National Stock Exchange.





**Annexure III** The following table gives the distribution pattern of the shareholding of the Company:

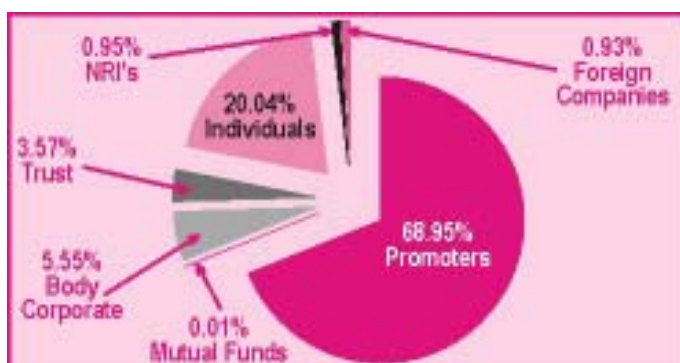
**Table I- Distribution Schedule as on March 31, 2013**

Range -No. of Shares	No. of Shares held	No. of Folios	% Shares	% Holders
Up to 500	1145739	5373	1.45	52.22
501-1000	1291254	1540	1.63	14.97
1001-2000	2781946	1807	3.52	17.56
2001-3000	1425148	519	1.80	5.04
3001-4000	695953	191	0.88	1.86
4001-5000	1010274	215	1.28	2.09
5001-10,000	2627480	357	3.32	3.47
10001-50,000	4599959	228	5.81	2.22
50,001-1,00,000	1834430	25	2.32	0.24
Above 1,00,000	61713005	35	77.99	0.34
<b>Total</b>	<b>79125188</b>	<b>10290</b>	<b>100.00</b>	<b>100.00</b>

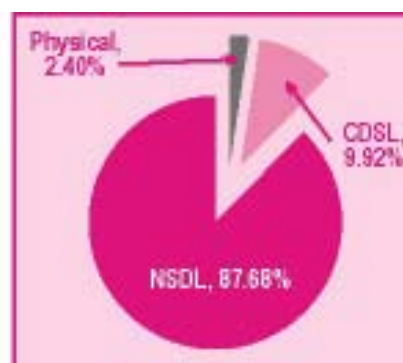
**Table II- Shareholding pattern as on March 31, 2013**

Particulars	As on March 31, 2013	
	No. of shares	% of Total Shares
Promoters, their investment companies, People acting in concert	54558622	68.95
Mutual Funds/ Financial Institutions	10500	0.01
Bodies Corporate	4389170	5.55
Trust	2826579	3.57
Individual	15856355	20.04
Non Residential Individual	748962	0.95
Foreign Companies	735000	0.93
<b>Total Shareholding</b>	<b>79125188</b>	<b>100.00</b>

**Share Holding Pattern as on March 31, 2013**



**Dematerialization of Shares**



For and on behalf of the Board

**Surendra Kumar Surana**  
Managing Director & CEO

Jaipur  
July 31, 2013

**Shubh Karan Surana**  
Director

**CERTIFICATE OF CEO AND CFO OF THE COMPANY**

To,  
The Board of Directors,  
Compucom Software Limited,  
Jaipur

We, Surendra Kumar Surana, Managing Director & CEO and Vishnu Bargoti, Chief Financial Officer (CFO) of Compucom Software Limited, to the best of our knowledge and belief, certify to the Board that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended on March 31, 2013 and to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- Significant changes in the internal control over financial reporting during the year,
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we 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.

Yours truly,  
**For Compucom Software Limited**

**Surendra Kumar Surana**  
Managing Director & CEO

Jaipur  
July 31, 2013

**Vishnu Bargoti**  
Chief Financial Officer

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**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members of  
Compucom Software Limited

We have examined the records with respect to the compliance of Corporate Governance by **COMPUCOM SOFTWARE LIMITED** ("the Company"), for the Financial Year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our Examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. As per the records of the Company, there were no pending investor grievances remaining unattended for a period exceeding one month against the Company.

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

Jaipur  
July 31, 2013

For and on behalf of  
**FOR S.MISRA & ASSOCIATES**  
Chartered Accountants  
FRN-004972C  
**CA SACHINDRA MISRA**  
Partner  
Membership No.-073776

## **SECRETARIAL COMPLIANCE REPORT**

**To,  
The Members,  
Compucom Software Limited,  
Jaipur.**

We have examined all relevant records of the Company relating to its compliance with the provisions of Companies Act, 1956 and rules, regulations framed there under:

It is Company's responsibility to prepare and maintain the relevant records under the applicable Acts, Rules, and Regulations framed thereunder. Our responsibility is to carry out an examination, on the basis of our professional judgments to provide a reasonable assurance of the correctness and completeness of the records for the purpose of the report.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of report and have been provided with such records, documents and so on as required by us.

We report that for the Financial Year ended on March 31, 2013, the Company has complied with the provisions of Companies Act, 1956 and Rules, Regulations framed there under, as given below: -

1. Maintained all the statutory registers required under the Companies Act, 1956 ("the Act") and the Rules made thereunder.
2. Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies, Rajasthan, as required by the Act.
3. Filed all the quarterly, half-yearly and annual disclosures physically and electronically with the Stock Exchanges and SEBI, as per the applicable clauses of the Listing Agreement (as amended from time to time) and other rules, regulations, bye-laws, and so on.
4. Issued all notices required to be given for convening of Board / Committee Meetings and General Meeting, within the time limit prescribed by law.
5. Conducted the Board / Committee Meetings and Annual General Meeting as per the requirement of the Act.
6. Complied with all the requirements relating to the minutes of the proceedings of the Meeting of the Directors / Committee and the Shareholders.
7. The Company closed its Register of Members from September 14, 2012 to September 18, 2012 (both days inclusive) during the Financial Year.
8. The Board of Directors of the Company is duly constituted. The appointment/reappointment of Directors has been made in accordance with the provisions of the Act.
9. The Company has constituted the Audit Committee as required under section 292A of the Act and the provisions of the listing agreement.
10. The Company has paid dividend to the shareholders within the time limit prescribed and has also transferred the unpaid dividends to the Central Government within the time limit from time to time.
11. The Company has forfeited 25,00,000 Convertible warrants during the year and complied with the provisions of the Act, SEBI(ICDR) regulations and all other applicable statutes.
12. The Company has made due disclosures required under the Act.

Jaipur  
July 31, 2013

**FOR V. M. & ASSOCIATES**  
COMPANY SECRETARIES  
**CS MANOJ MAHESHWARI**  
PARTNER  
FCS: 3355; C P No. : 1971

## **AUDITORS' REPORT TO THE MEMBERS**

### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of COMPUCOM SOFTWARE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for 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 accounting principles generally accepted in India including 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

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

### **Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit/loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows 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 annex hereto a statement on the matters specified in paragraphs 4 and 5 of the 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 account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - e) On the basis of written representations received from the Directors as on March 31, 2013, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For and on behalf of  
**S. MISRA & ASSOCIATES**  
Chartered Accountants  
FRN-004972C

**CA SACHINDRA MISRA**  
Partner  
M. No. - 073776

Jaipur  
May 27, 2013

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 OF COMPUCOM SOFTWARE LIMITED**

As required by the Companies (Auditor’s Report) Order, 2003 and the Companies (Auditor’s Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that:

**i. Fixed Assets :-**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The management on a sample basis during the year has physically verified the major assets and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- c. There has been no substantial disposal of fixed assets during the year, so as to affect the going concern status of the Company.

**ii. Inventories :-**

The Company does not have any inventories.

**iii. Loans to/from the parties covered in the register maintained under Section 301 of the Act:-**

- a. The Company has granted unsecured loans to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs. 3,01,97,063/- (outstanding balance as at March 31, 2013 is Rs. 2,84,24,572/-). The Company has not charged interest on such loan. In our opinion and according to the information and explanations given to us, the terms and conditions of the unsecured loans so granted are not prima facie prejudicial to the interest of the Company. There is no irregularity in the recovery of principal which is as per mutual stipulations.
- b. The Company has taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was of Rs. 14,72,37,951/- (outstanding balance as at March 31, 2013- Rs. 5,80,62,227/-). In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions of the unsecured loans so taken are prima facie not prejudicial to the interest of the Company. There is no irregularity in interest and principal repayments as per mutual stipulations.

**iv. Internal Control System :-**

In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of computers and other equipment and for the sale of software and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control.

**v. Transactions with Related Parties as per Register of Contract u/s 301:-**

In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956:

- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in 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 Rs. 5,00,000/- in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.

**vi. Public Deposits:-**

According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.

**vii. Internal Audit System:-**

In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business. However, in our opinion, the system needs to be strengthened further so as to match up with the growth of the Company.

**viii. Cost Record:-**

The maintenance of cost records has been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for activity related to wind power generation. According to the information and explanations given to us and on the basis of our examination thereof, we report that the Company is maintaining the prescribed cost records.

**ix. Statutory Dues :-**

- a. Undisputed statutory dues :- According to records of the Company, it has generally been regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.

- b. Disputed statutory dues:- Details of statutory dues which have not been deposited as at March 31, 2013 on account of disputes are given below :

<b>Nature of dues</b>	<b>Period to which the amount relates</b>	<b>Forum where the Dispute is pending</b>	<b>Amount (Rs.)</b>	
Income Tax	A.Y. 2005-06	Commissioner of Income Tax (Appeals)	Penalty-	8,50,287/-
Income Tax	A.Y. 2008-09	Commissioner of Income Tax (Appeals)	Penalty-	36,91,580/-
Entry Tax	A.Y. 2007-08, 2008-09 and 2009-10	Deputy Commissioner (Appeals)	Entry Tax- Penalty- Interest -	34,28,931/- 1,02,87,793/- 8,22,950/-
Service Tax	April 01, 2005 to March 31, 2010	Custom, Central Excise & Service Tax Appellate Tribunal, New Delhi	Service Tax - Penalty -	2,24,71,199/- 2,24,71,199/-

**x. Sick Industry :-**

The Company has neither accumulated losses at the end of the Financial Year nor has it incurred cash losses, both, in the Financial Year under report and the immediately preceding Financial Year.

**xi. Dues to Financial Institution or Bank or Debenture holders :-**

According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks and financial institutions. Further, there are no dues to debenture holders.

**xii. Loans and Advances granted on the basis of security:-**

According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

**xiii. Chit Fund, Nidhi or Mutual Benefit Company:-**

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.

**xiv. Company dealing or trading in shares, securities, debentures and other investments:-**

In respect of the shares, securities, debentures and other investments dealt or traded by the Company, proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name. However, during the current reporting year no such transactions have taken place in respect of the investments held by the Company.

**xv. Guarantees given for loans taken by others from bank or financial institution:-**

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

**xvi. Application of Term loans:-**

According to the information and explanations given to us, term loans outstanding at the beginning of the year and those raised during the year were applied for the purpose for which they were obtained by the Company.

**xvii. Use of short term and long terms investments:-**

According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records of the Company, we are of the opinion that, prima facie short-term funds have not been used for long-term investments.

**xviii. Preferential allotment of shares to parties covered in the register maintained under Section 301:-**

The Company has not made any preferential allotment of shares to the Company covered in the register maintained under section 301 of the Companies Act, 1956.

**xix. Securities and Debentures:-**

The Company did not issue any debenture during the year.

**xx. End use of money raised by public issues:-**

The Company has not raised any money by a public issue, during the year.

**xxi. Fraud on or by the Company-noticed or reported:-**

According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported during the year.

For and on behalf of  
**S. MISRA & ASSOCIATES**  
 Chartered Accountants  
 FRN-004972C  
**CA SACHINDRA MISRA**  
 Partner  
 M. No. - 073776

Jaipur  
 May 27, 2013

**BALANCE SHEET AS AT MARCH 31, 2013**

(in Rs.)

	Note No.	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	158,250,376	158,250,376
Reserves and Surplus	2	906,044,569	840,077,143
Money received against Share Warrants		-	15,850,000
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	165,004,414	189,656,204
Deferred Tax Liabilities (Net)		-	10,212,564
Other Long Term Liabilities	4	6,997,382	5,525,432
Long-Term Provisions	5	129,008,724	175,617,722
<b>Current Liabilities</b>			
Short-Term Borrowings	6	27,651,637	17,760,494
Trade Payables		75,062,756	64,655,544
Other Current Liabilities	7	261,149,755	152,572,947
Short-Term Provisions	8	55,101,363	42,638,526
<b>TOTAL</b>		<b>1,784,270,974</b>	<b>1,672,816,951</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9	459,372,620	412,629,532
Intangible Assets		-	-
Non-Current Investments	10	90,896,436	79,041,049
Deferred Tax Assets (Net)		3,491,410	-
Long-Term Loans and Advances	11	47,064,712	27,350,716
Other Non-Current Assets	12	833,256	833,256
<b>Current Assets</b>			
Trade Receivables	13	747,558,101	792,690,104
Cash and Bank Balances	14	363,346,368	296,301,007
Short-Term Loans and Advances	15	70,022,762	62,285,978
Other Current Assets	16	1,685,309	1,685,309
<b>TOTAL</b>		<b>1,784,270,974</b>	<b>1,672,816,951</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 22**

The notes attached form an integral part of Balance Sheet

As per our report of even date

**For S. Misra & Associates**
*Chartered Accountants  
FRN - 004972C*
**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**For and on the behalf of the Board**
**Shubh Karan Surana**  
Director

**CA Vishnu Bargouti**  
Chief Financial Officer

**CS Swati Jain**  
Company Secretary &  
Compliance Officer

 Jaipur  
May 27, 2013



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON  
MARCH 31, 2013**

(in Rs.)

	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
Revenue from Operations	17	712,772,244	699,531,743
Other Income	18	21,987,063	18,733,764
<b>TOTAL REVENUE</b>		<b>734,759,307</b>	<b>718,265,507</b>
Learning Solution Execution Expenses		198,280,844	194,241,026
Employee Benefits Expenses	19	25,635,927	20,264,928
Finance Costs	20	44,046,620	52,829,897
Other Expenses	21	152,981,554	81,708,469
Depreciation and Amortization Expenses		184,339,776	246,315,975
<b>TOTAL EXPENSES</b>		<b>605,284,721</b>	<b>595,360,294</b>
<b>Profit before Tax</b>		<b>129,474,586</b>	<b>122,905,213</b>
Tax Expenses:			
(1) For Current tax		55,488,472	52,846,330
(2) For Deferred tax		(13,703,974)	(49,789,411)
(3) For Earlier Years		788,154	8,935,397
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>86,901,934</b>	<b>110,912,897</b>
Profit/(loss) from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
Profit/(Loss) from Discontinuing Operations (after tax)		-	-
<b>Profit/(Loss) for the year</b>		<b>86,901,934</b>	<b>110,912,897</b>
Earnings Per Equity Share			
<b>(1) Basic</b>		<b>1.10</b>	<b>1.40</b>
<b>(2) Diluted</b>		<b>1.10</b>	<b>1.40</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

1 to 22

The notes attached form an integral part of Balance Sheet

As per our report of even date

**For S. Misra & Associates**

Chartered Accountants  
FRN - 004972C

CA Sachindra Misra, Partner  
Membership No. - 073776

Surendra Kumar Surana  
Managing Director & CEO

**For and on the behalf of the Board**

Shubh Karan Surana  
Director

CA Vishnu Bargoti  
Chief Financial Officer

CS Swati Jain  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

(in Rs.)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>Cash Flow from Operating Activities</b>		
Profit Before Tax	129,474,586	122,905,213
Interest Income	(21,099,876)	(17,043,001)
Depreciation	184,339,776	246,315,975
Loss on Sale of assets	514,611	409,428
Profit on sale of assets	(145,189)	-
Loss due to theft	-	139,492
Provision for Gratuity	631,489	9,121
Provision for Diminution in value of Investments	19,613	170,962
Operating Profit before Working Capital Changes	293,735,010	352,907,190
Decrease/(Increase) in Trade Receivables (Current and Non Current)	45,132,003	(189,808,534)
Decrease/(Increase) in Loans and Advances (Current and Non Current)	(27,450,780)	51,859,840
Decrease/(Increase) in Other Current & Non Current Assets	-	(388,590)
Increase/(Decrease) in Current & Non Current Liabilities	82,231,194	29,756,971
Cash Generated from Operations	393,647,427	244,326,877
Income Tax Paid	(52,134,484)	(65,466,283)
<b>Net Cash Flow from Operations</b>	<b>341,512,943</b>	<b>178,860,594</b>
<b>Cash Flow from Investing Activities</b>		
Interest Income	21,099,876	17,043,001
Purchase of Fixed Assets	(237,221,676)	(3,890,808)
Sale of Fixed Assets	5,769,391	1,277,141
(Investment)/sale in Shares, Mutual funds and NSC	(11,875,000)	-
Increase / Decrease in unpaid dividend a/c & FDRs having maturity more than 3 months	(240,213,279)	(13,919,519)
<b>Net Cash flow From Investing</b>	<b>(462,440,688)</b>	<b>509,815</b>
<b>Cash Flows from Financing Activities</b>		
Increase in Paid up Share Capital	-	-
(Decrease)/Increase in Loan Funds	(24,651,790)	(147,409,580)
Dividend Paid (Including Dividend Tax)	(27,588,382)	(27,680,068)
<b>Net Cash Flow From Financing Activities</b>	<b>(52,240,172)</b>	<b>(175,089,648)</b>
Total Increase/(Decrease) in Cash and Cash Equivalents	(173,167,917)	4,280,761
Cash and Cash Equivalents at the beginning of the year	234,091,968	229,811,207
<b>Cash and Cash Equivalents at the end of the year</b>	<b>60,924,051</b>	<b>234,091,968</b>

As per our report of even date.

**For S. Misra & Associates**

 Chartered Accountants  
 FRN - 004972C

 CA Sachindra Misra, Partner  
 Membership No. - 073776

 Surendra Kumar Surana  
 Managing Director & CEO

**For and on the behalf of the Board**

 Shubh Karan Surana  
 Director

 CA Vishnu Bargouti  
 Chief Financial Officer

 CS Swati Jain  
 Company Secretary &  
 Compliance Officer

 Jaipur  
 May 27, 2013

## **NOTES TO THE FINANCIAL STATEMENTS**

### **SIGNIFICANT ACCOUNTING POLICIES:**

- A. Basis of preparation of Financial Statements:** The Financial Statements have been prepared on accrual basis under the historical cost convention, in conformity with all material aspects with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.
- B. Use of Estimates:** The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.
- C. Revenue Recognition:** Revenue from time and material contracts for software development is recognized on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are dispatched to customers. In case of fixed price contracts, revenue is recognized on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed. Interest on deployment of surplus funds is recognized over the period of deployment using interest rate implicit in the transaction. Dividend income is accounted for on receipt basis.
- D. Fixed Assets and Depreciation:** Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use. Direct financing cost incurred during the construction period on major projects is also capitalized. Exchange differences on repayment and year-end translation of foreign currency liabilities relating to acquisition of fixed assets are adjusted to the carrying cost of the respective assets. Pursuant to Accounting Standard -26 Intangible Assets becoming applicable, the Company has adopted the following accounting policy for Software Expenses and exclusive marketing rights.
- Software purchased is capitalized and written off over its useful life, which is normally six years, provided the software is regularly updated through a maintenance contract, failing which, the unamortized balance is charged to revenue. If the usage of software is discontinued, its unamortized cost is also charged to revenue. Exclusive marketing rights is capitalized and written off over its agreement period of ten years. Fixed Assets purchased during the year for all new projects are depreciated equally over the respective projects life. Depreciation is provided under the straight-line method, based on the rates provided under schedule XIV to the Companies Act, 1956 on pro-rata basis.
- E. Foreign Currency Transactions:** Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Exchange gains/losses are recognized in the Statement of Profit and Loss except in respect of liabilities incurred to acquire fixed assets in which case, they are adjusted to the carrying amount of such fixed assets.
- F. Investments:** Non-Current investments are carried at cost. Provision for diminution, if any, in the value of each Non-Current investment is made to recognize a decline or surplus, other than that of a temporary nature. Current investments intended to be held for less than one year are stated at the lower of cost and market value and the resultant decline, if any, is charged to revenue and the carrying amount of investments is reduced to that extent. Investment in subsidiary companies is accounted on cost method. Under the method, Company recognizes only dividend received from subsidiary as income. Undistributed profits of subsidiary are not accounted.
- G. Retirement Benefits:** The Company provides retirement / post retirement benefits in the form of gratuity. Such benefits are provided for based on valuations as on the date of balance sheet.
- H. Borrowing Costs:** Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- I. Segment Reporting:** Identifiable revenues and expenses of each segment are directly attributed to the segment while non-identifiable expenses are allocated on the basis of use of particular resources in an undertaking.
- J. Provision for Current and Deferred Tax:** Income taxes have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to timing differences between the taxable income and the accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or settled. The effect of changes in the tax rates on deferred tax assets and liabilities is recognized in the statement of income in the period of change. Deferred tax assets are recognized based on management's judgment as to the sufficiency of future taxable income against which the deferred tax asset can be realized.
- K. Impairment of Assets:** An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The management has not identified any indication of impairment of asset from internal or external source of information.
- L. Provision and contingent liabilities:** A Provision is recognized if, as a result of past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimates of the outflow of the economic benefits required to settle the obligation at the reporting date. Where no reliable estimates can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**NOTE 1**

(In Rs.)

<b>Authorised Share Capital :</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
100,000,000 Equity Shares of Rs. 2/- each	200,000,000	200,000,000
<b>Issued , Subscribed &amp; Paid up Capital:</b>		
79,125,188 Equity Shares of Rs. 2/- each fully paid up	158,250,376	158,250,376
<b>Total</b>	<b>158,250,376</b>	<b>158,250,376</b>

**NOTE 1A**

<b>Reconciliation of shares</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>	<b>Number</b>	<b>Amount (Rs.)</b>
<b>Shares outstanding at the beginning of the year</b>	79,125,188	158,250,376	79,125,188	158,250,376
Add: Shares Issued during the year	-	-	-	-
Add: Bonus issue during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>79,125,188</b>	<b>158,250,376</b>	<b>79,125,188</b>	<b>158,250,376</b>

**NOTE 1B**
**Particulars of equity share holders holding more than 5% of the total number of equity share capital**

<b>Sr. Name of Shareholder No.</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
1 Rishab Infotech Private Limited	18,468,650	23.34%	18,468,650	23.34%
2 Sambhav Infotech Private Limited	19,897,444	25.15%	19,897,444	25.15%
3 Compucom Technologies Private Limited	13,135,678	16.60%	10,152,834	12.83%

**NOTE 1C**
**Particulars of Aggregate number of equity shares issued for the immediately preceding five years**

	<b>No. of Shares as at</b>	
	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Shares out of issued, subscribed and paid up share capital issued by way of bonus shares	50,250,188	50,250,188

- The Company has only one class of equity shares having par value of Rs. 2 per share. Each share holder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. Company doesn't have any preferential amounts in the Balance Sheet.
- The Company declares and pays dividends in Indian rupees. The Board of Directors, in their meeting on May 27, 2013, proposed dividend @ 20% per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended on March 31, 2013 amounted to Rs. 3.17 crore including corporate dividend tax of Rs. 0.51 crore.

**NOTE 2**

(In Rs.)

<b>Reserves &amp; Surplus</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>(a) Capital Reserves</b>		
Opening Balance	5,071,575	5,071,575
Add: Transfer during Current Year	-	-
Add: Forfeiture of Warrant Application money	15,850,000	-
Less: Written Back during Current Year	-	-
<b>Closing Balance</b>	<b>20,921,575</b>	<b>5,071,575</b>

	(In Rs.)	
	As at March 31, 2013	As at March 31, 2012
<b>(b) Securities Premium Account</b>		
Opening Balance	135,296,524	135,296,524
Add : Securities premium credited on Issue of Shares	-	-
Less : Premium Utilised for issuing Bonus Shares	-	-
<b>Closing Balance</b>	<b>135,296,524</b>	<b>135,296,524</b>
<b>(c) Other Reserves</b>		
Opening Balance	141,903,450	131,903,450
Add: Transfer during Current Year	10,000,000	10,000,000
Less: Written Back during Current Year	-	-
<b>Closing Balance</b>	<b>151,903,450</b>	<b>141,903,450</b>
<b>(d) Surplus</b>		
Opening balance	557,805,594	484,481,079
Add: Net Profit/(Loss) for the year	86,901,934	110,912,897
Add: Transfer from Reserves	-	-
Less: Proposed Dividends	36,784,508	27,588,382
Less: Transfer to Reserves	10,000,000	10,000,000
<b>Closing Balance</b>	<b>597,923,020</b>	<b>557,805,594</b>
<b>Total (a+b+c+d)</b>	<b>906,044,569</b>	<b>840,077,143</b>
<b>NOTE 3</b>		
<b>Long Term Borrowings</b>		
<b>(a) Secured Loans</b>		
<b>Term loans</b>		
from banks	-	1,369,238
(Secured against hypothecation of vehicle financed)		
from other parties	108,946,746	59,436,216
(Secured against hypothecation of Equipment financed)		
<b>Total (A)</b>	<b>108,946,746</b>	<b>60,805,454</b>
<b>(b) Unsecured Loans</b>		
From related parties	56,057,668	128,850,750
<b>Total (B)</b>	<b>56,057,668</b>	<b>128,850,750</b>
<b>Total (A+B)</b>	<b>165,004,414</b>	<b>189,656,204</b>
<b>NOTE 3A</b>		
<b>Maturity Profile of term loans are set out below:-</b>		
	Maturity Profile	
	1-3 years	3-5 Years
Term loan from banks	-	-
Term loan from other parties	71,608,169	37,338,577
<b>NOTE 4</b>		
<b>Other Long Term Liabilities</b>		
EMD/ SD from Vendors	6,628,143	5,156,193
Greater Noida Export Promotion Industrial Park	369,239	369,239
<b>Total</b>	<b>6,997,382</b>	<b>5,525,432</b>

	(In Rs.)	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 5</b>		
<b>Long Term Provisions</b>		
<b>Provision for employees benefits</b>		
Gratuity	2,398,786	1,767,297
<b>Others</b>		
Provision for Projects Execution Expense	126,609,938	115,017,425
Provision for Penalties - ICT Projects	-	15,000,000
Provision for Delay in Hardware installation - ICT Projects	-	43,833,000
<b>Total</b>	<b>129,008,724</b>	<b>175,617,722</b>
<b>NOTE 6</b>		
<b>Short Term Borrowings</b>		
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
Overdraft from banks (Secured By Land & Building situated at IT 14-15, Sitapura, Jaipur)	19,946,720	17,273,435
Current Accounts	7,704,917	-
<b>(b) Other loans</b>		
Vehicle Loan (Secured By Hypothecation of Vehicle Financed)	-	487,058
<b>Total (a+b)</b>	<b>27,651,637</b>	<b>17,760,494</b>
<b>NOTE 7</b>		
<b>Other Current Liabilities</b>		
Current maturities of Long-Term debts	89,300,498	109,262,216
Interest accrued and due on borrowings	2,004,559	3,058,232
Income received in advance	161,124,726	32,885,455
Unpaid dividends	1,324,961	1,383,269
Interest accrued and but not due on borrowings	2,407,996	-
<b>Other payables</b>		
Provision for Expenses	1,058,923	2,848,972
Taxes Payable	3,928,091	3,134,804
<b>Total</b>	<b>261,149,755</b>	<b>152,572,947</b>
<b>NOTE 8</b>		
<b>Short Term Provisions</b>		
<b>(a) Provision for employees benefits</b>		
Salary & Allowances	2,328,383	3,203,814
<b>(b) Others</b>		
Proposed Dividend	31,650,075	23,737,557
Dividend Tax	5,134,433	3,850,825
Provision for Income Tax	15,988,472	11,846,330
<b>Total (a+b)</b>	<b>55,101,363</b>	<b>42,638,526</b>

**NOTE 9 DEPRECIATION AS PER COMPANIES ACT, 1956 FOR THE PERIOD ENDED ON MARCH 31, 2013 (in Rs.)**

FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK			
	As at April 1, 2012	Additions	Disposals	Revaluations (Impairments)	As at March 31, 2013	As at April 1, 2012	Depreciation Charged for the year	Adjustments Due to Revaluations	On Disposals	As at March 31, 2013	As at March 31, 2012
<b>A. TANGIBLE ASSET</b>											
Land	12,909,255	-	-	-	12,909,255	-	-	-	-	12,909,255	12,909,255
Buildings	25,839,372	-	-	-	25,839,372	4,912,644	420,615	-	-	20,506,113	20,926,728
Assets under lease	5,505,132	-	-	-	5,505,132	1,004,354	89,734	-	-	4,411,044	4,500,778
Plant and Equipment	921,220,019	203,166,772	755,530	-	1,123,631,261	689,846,416	163,411,805	-	474,346	270,847,386	231,373,603
Furniture and Fixtures	53,438,287	34,054,905	-	-	87,493,192	35,406,827	11,582,389	-	-	46,989,216	18,031,460
Vehicles	17,136,771	-	9,423,383	-	7,713,388	5,833,889	1,197,233	-	3,565,754	3,465,368	11,302,882
Wind Power Plant	160,800,000	-	-	-	160,800,000	47,215,174	7,638,000	-	-	54,853,174	105,946,826
<b>Total (A)</b>	<b>1,196,848,836</b>	<b>237,221,677</b>	<b>10,178,913</b>	<b>-</b>	<b>1,423,891,600</b>	<b>784,219,304</b>	<b>184,339,776</b>	<b>-</b>	<b>4,040,100</b>	<b>964,518,980</b>	<b>412,629,532</b>
<b>B. INTANGIBLE ASSET</b>											
Computer software	16,920,840	-	-	-	16,920,840	16,920,840	-	-	-	16,920,840	-
Marketing Rights	8,020,826	-	-	-	8,020,826	8,020,826	-	-	-	8,020,826	-
<b>Total (B)</b>	<b>24,941,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,941,666</b>	<b>24,941,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,941,666</b>	<b>-</b>
<b>GRAND TOTAL (A+B)</b>	<b>1,221,790,502</b>	<b>237,221,677</b>	<b>10,178,913</b>	<b>-</b>	<b>1,448,833,266</b>	<b>809,160,970</b>	<b>184,339,776</b>	<b>-</b>	<b>4,040,100</b>	<b>989,460,646</b>	<b>412,629,532</b>

**Note 10 (in Rs.)**

	As at March 31, 2013	As at March 31, 2012
<b>Non-Current Investments</b>		
<b>Detail of Investment</b>		
<b>Trade Investments (Refer A below)</b>		
Investment in Equity instruments	351,813	351,813
Investments in Mutual Funds	600,000	500,000
<b>Total (a)</b>	<b>951,813</b>	<b>851,813</b>
<b>Other Investments (Refer B below)</b>		
Investment in Equity instruments	89,424,400	76,424,400
Investments in Government or Trust securities	914,500	2,139,500
<b>Total (b)</b>	<b>90,338,900</b>	<b>78,563,900</b>
<b>Grand Total (a + b)</b>	<b>91,290,713</b>	<b>79,415,713</b>
Less : Provision for diminution in the value of Investments	394,277	374,664
<b>TOTAL</b>	<b>90,896,436</b>	<b>79,041,049</b>
Aggregate amount of quoted investments (Market value of 26,535) (Previous Year 10,648)	42,541	42,541
Aggregate amount of unquoted investments	309,272	309,272

A. Details of Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted/ Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer is 'No' - Basis of Valuation
			As at March 31, 2013	As at March 31, 2012			As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012		
(a)	Investment in Equity Instruments											
1	Albright Wilson Chemicals India Ltd.	Others	50	50	Quoted	Fully paid	Less Than 1%	9,420	9,420	Yes		
2	Apple Finance Ltd	Others	100	100	Quoted	Fully paid	Less Than 1%	1,944	1,944	Yes		
3	Birla Power Solutions Ltd	Others	1,200	1,200	Quoted	Fully paid	Less Than 1%	2,625	2,625	Yes		
4	Datapro Information Tech	Others	100	100	Quoted	Fully paid	Less Than 1%	365	365	Yes		
5	Hmt Ltd	Others	100	100	Quoted	Fully paid	Less Than 1%	1,235	1,235	Yes		
6	Jenson & Nicholson India Ltd.	Others	50	50	Quoted	Fully paid	Less Than 1%	2,172	2,172	Yes		
7	Lok Housing	Others	100	100	Quoted	Fully paid	Less Than 1%	19,180	19,180	Yes		
8	Rpg Life Sciences	Others	50	50	Quoted	Fully paid	Less Than 1%	4,380	4,380	Yes		
9	Spice Mobile Ltd	Others	200	200	Quoted	Fully paid	Less Than 1%	1,220	1,220	Yes		
10	Alpine Industries Ltd.	Others	500	500	Un-Quoted	Fully paid	Less Than 1%	7,275	7,275	Yes		
11	Atios Ltd.	Others	400	400	Un-Quoted	Fully paid	Less Than 1%	11,969	11,969	Yes		
12	Amrut Ltd.	Others	1,000	1,000	Un-Quoted	Fully paid	Less Than 1%	15,200	15,200	Yes		
13	Atv Proj	Others	1,700	1,700	Un-Quoted	Fully paid	Less Than 1%	12,330	12,330	Yes		
14	Autopal Industries Ltd.	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	2,151	2,151	Yes		
15	BPL Refrigerator	Others	300	300	Un-Quoted	Fully paid	Less Than 1%	4,025	4,025	Yes		
16	Bpl Sanyo Tech	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	1,315	1,315	Yes		
17	Compulearn	Others	4,550	4,550	Un-Quoted	Fully paid	Less Than 1%	25,888	25,888	Yes		
18	CRB Caps	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	3,283	3,283	Yes		
19	Data Lines & Research	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	1,250	1,250	Yes		
20	Dunlop India Ltd.	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	2,677	2,677	Yes		
21	Elbee	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	9,595	9,595	Yes		
22	Fedral Bank	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	3,476	3,476	Yes		
23	G.R.Market	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	875	875	Yes		
24	Hind Develop	Others	1,500	1,500	Un-Quoted	Fully paid	Less Than 1%	20,682	20,682	Yes		
25	Hind Power Plus	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	7,052	7,052	Yes		
26	lfb Venture	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	415	415	Yes		
27	Iggi Resorts	Others	1,000	1,000	Un-Quoted	Fully paid	Less Than 1%	13,090	13,090	Yes		
28	Master Plus	Others	1,300	1,300	Un-Quoted	Fully paid	Less Than 1%	18,130	18,130	Yes		
29	Modi Xerox Ltd.	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	4,836	4,836	Yes		
30	Denso India	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	2,060	2,060	Yes		
31	Orkay Ind.	Others	500	500	Un-Quoted	Fully paid	Less Than 1%	2,700	2,700	Yes		
32	Oswal Agro	Others	300	300	Un-Quoted	Fully paid	Less Than 1%	2,325	2,325	Yes		
33	Paam Pharma	Others	300	300	Un-Quoted	Fully paid	Less Than 1%	3,240	3,240	Yes		
34	Palpeugaut	Others	500	500	Un-Quoted	Fully paid	Less Than 1%	3,525	3,525	Yes		



Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted/ Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer is 'No' - Basis of Valuation
			As at March 31, 2013	As at March 31, 2012			As at March 31, 2013	As at March 31, 2012				
35	Pd Ltd.	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	2,515	2,515	Yes		
36	Pru Cap Market	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	1,667	1,667	Yes		
37	Pansumi India	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	470	470	Yes		
38	Rajasthan Asset Management Co.	Others	900	900	Un-Quoted	Fully paid	Less Than 1%	90,000	90,000	Yes		
39	Raj Trustee Co	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	10,000	10,000	Yes		
40	Sanghi Polyster	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	640	640	Yes		
41	South Shipping	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	5,505	5,505	Yes		
42	Standard Batt	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	2,530	2,530	Yes		
43	Uniworth In	Others	900	900	Un-Quoted	Fully paid	Less Than 1%	8,865	8,865	Yes		
44	Usha India	Others	400	400	Un-Quoted	Fully paid	Less Than 1%	4,560	4,560	Yes		
45	Wool Worth	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	3,156	3,156	Yes		
								351,813	351,813			
(b)	<b>Investments in Mutual Funds</b>											
1	Barodia Pioneer Fund	Others	50,000	50,000	Quoted	Fully Paid	Less Than 1%	500,000	500,000	Yes		
2	Reliance Liquid Fund - T.P.	Others	10,000	-	Quoted	Fully Paid	Less Than 1%	100,000	-	Yes		
								600,000	500,000			
	<b>Total</b>							951,813	851,813			

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted/ Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer is 'No' - Basis of Valuation
			As at March 31, 2013	As at March 31, 2012			As at March 31, 2013	As at March 31, 2012				
(a)	<b>Investment in Equity Instruments</b>											
	IT Neer Inc.(USA)	Subsidiary	1,000,000	1,000,000	Unquoted	Fully paid	100%	43,924,400	43,924,400	Yes		
	CSL Infomedia Pvt. Ltd.	Subsidiary	4,550,000	3,250,000	Unquoted	Fully paid	65%	45,500,000	32,500,000	Yes		
(b)	<b>Investments in Govt. or Trust securities</b>											
	NSC in Post office	Others	-	-	-	-	-	914,500	2,139,500	Yes		
	<b>Total</b>							90,338,900	78,563,900			

	(In Rs.)	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 11</b>		
<b>Long Term Loans and Advances</b>		
<b>(a) Security Deposits</b>		
Unsecured, considered good	10,229,893	15,127,742
<b>Total (a)</b>	10,229,893	15,127,742
<b>(b) To Related Parties</b>		
Unsecured, considered good	28,424,572	-
<b>Total (b)</b>	28,424,572	-
<b>(c) Other loans and advances</b>		
Unsecured, considered good		
Withholding Income Tax and others	6,618,471	7,142,611
Advance Income Tax	1,791,776	1,791,776
Prepaid Expenses	-	1,131,837
Advance for ICT Project	-	2,156,750
<b>Total (c)</b>	8,410,247	12,222,974
<b>Total (a+b+c)</b>	<b>47,064,712</b>	<b>27,350,716</b>
<b>NOTE 12</b>		
<b>Other Non Current Assets</b>		
<b>Others</b>		
Unsecured, considered good		
-Transline business solutions	833,256	833,256
<b>Total</b>	<b>833,256</b>	<b>833,256</b>
<b>NOTE 13</b>		
<b>Trade Receivables</b>		
Trade receivables outstanding for a period less than six months:		
Secured, considered good	-	-
Unsecured, considered good (net of credit balance)	323,552,562	599,800,812
Unsecured, considered doubtful	-	-
	323,552,562	599,800,812
Trade receivables outstanding for a period exceeding six months:		
Secured, considered good	-	-
Unsecured, considered good (net of credit balance)	424,005,539	192,889,292
Unsecured, considered doubtful	-	-
	424,005,539	192,889,292
Less: Advances from debtors		-
<b>Total</b>	<b>747,558,101</b>	<b>792,690,104</b>
<b>NOTE 14</b>		
<b>Cash and bank balances</b>		
<b>a. Cash and Cash Equivalents</b>		
a. Balances with banks including FDRs having maturity less than 3 months	59,103,932	223,587,789
b. Cheques, drafts on hand	409,802	8,237,372
c. Cash on hand	1,410,317	2,266,808
<b>Total (a)</b>	60,924,051	234,091,968
<b>b. Other Bank balances</b>		
a. Unpaid dividend a/c	1,324,960	1,383,268
b. FDR's with Bank having maturity more than 3 months	301,097,358	60,825,771
<b>Total (b)</b>	302,422,318	62,209,039
<b>Total (a+b)</b>	<b>363,346,368</b>	<b>296,301,007</b>

	(In Rs.)	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 14A</b>		
A. Bank deposits with more than 12 months maturity from the date of Balance Sheet	16,488,260	1,797,571
B. Above stated cash and bank balances includes FDRs of Rs. 11,73,17,532 /- which are given under Bank's lien against bank guarantee issued by Bank on behalf of the Company		
<b>NOTE 15</b>		
<b>Short-term loans and advances</b>		
<b>Others (specify nature)</b>		
Unsecured, considered good		
For Supply of Goods and Services	5,868,702	1,545,183
Interest accrued but not due	2,528,397	1,713,798
Advance Income Tax	17,923,802	9,198,773
Prepaid Expenses	1,804,745	1,214,804
Accrued Income	40,485,452	47,988,798
Advances to Employees- Salary Advance	1,411,664	624,622
<b>Total</b>	<b>70,022,762</b>	<b>62,285,978</b>
<b>NOTE 16</b>		
<b>Other Current Assets</b>		
CPS tool kit	1,685,309	1,685,309
<b>Total</b>	<b>1,685,309</b>	<b>1,685,309</b>
<b>NOTE 17</b>		
<b>Revenue From Operations</b>		
Sale of products (Wind Power Generation)	20,843,512	20,405,459
Sale of services	691,928,732	679,126,284
<b>Total</b>	<b>712,772,244</b>	<b>699,531,743</b>
<b>NOTE 18</b>		
<b>Other Income</b>		
Interest Income	21,099,876	17,043,001
Profit on sale of Fixed Assets	145,189	-
Other non-operating income	741,999	1,690,763
<b>Total</b>	<b>21,987,063</b>	<b>18,733,764</b>
<b>NOTE 19</b>		
<b>Employees Benefit Expenses</b>		
(a) Salary and Allowances	23,522,026	19,074,727
(b) Contributions to Provident fund and ESI	1,188,245	871,527
(c) Contributions to Gratuity fund	756,364	191,345
(d) Staff welfare Expenditures	169,292	131,829
<b>Total</b>	<b>25,635,927</b>	<b>20,264,928</b>
<b>NOTE 20</b>		
<b>Finance costs</b>		
Interest expense	36,236,381	41,615,067
B.G. Commission & Loan Processing Charges	7,810,239	11,214,830
<b>Total</b>	<b>44,046,620</b>	<b>52,829,897</b>

(In Rs.)

	As at March 31, 2013	As at March 31, 2012
<b>NOTE 21</b>		
<b>Other Expenditures</b>		
Advertisement and Publicity Expenditures	4,226,098	867,402
Auditor's Remuneration		
- Statutory Audit Fees	166,321	121,349
- Tax Audit Fees	35,955	30,337
Bad Debts Written off	96,855,238	21,948,487
Loss on Sale of assets	514,611	409,428
Communication Expenditures	765,973	841,095
Director Sitting Fees	122,125	108,000
Donations	5,125,000	5,900,000
Insurance Expenditures	2,287,217	2,595,089
Office & General Expenditures	3,646,712	3,433,277
Printing and Stationary	896,612	1,034,884
Rent and Facility Support	776,400	899,338
Corporate Social Responsibility Expenditures	859,251	843,509
Repair and Maintenance	2,670,621	1,488,539
Operation and Maintenance (Wind Power)	1,662,112	1,583,682
Vehicle Running and Maintenance	986,559	784,294
Travelling and Conveyance Expenditures	3,129,376	3,138,017
Water and Electricity Expenditures	1,975,509	2,190,748
Legal and Professional Expenditures	1,702,505	3,140,865
Interest on Taxes	323,890	83,379
Diminution in the value of investment	19,613	170,962
Project Execution Expenditures	24,233,856	30,095,788
<b>Total</b>	<b>152,981,554</b>	<b>81,708,469</b>

**Note 22**

**Notes on Accounts**

**1. Contingent liabilities:**

- i. Bank Guarantees outstanding - Rs. 33,46,50,003/- (Previous year Rs. 29,46,52,126/-) Counter Guarantee given by the Company of Rs. 33,46,50,003/- (Previous year Rs. 29,46,52,126/-)
- ii. During the F.Y. 2009-10, the Company had received a demand notice from Commercial Taxes Department for Rs. 1,79,68,605/- (including penalty). The Company has deposited 50% of the basic demand under protest i.e. Rs. 34,28,931/- during the F.Y. 2010-11. Such type of cases are under litigation and pending before hon'ble Supreme Court and various High Courts for final decision.
- iii. During the F. Y. 2010-11, the Company has received a penalty order u/s 271(1)(c) of the Income Tax Act, 1961 amounting to Rs. 8,50,287/- for the A.Y. 2005-06. The said penalty order is still pending before the Commissioner of Income Tax (Appeals).
- iv. During the year, the Company has received a penalty order u/s 271(1)(c) of the Income Tax Act, 1961 amounting to Rs. 36,91,580/- for the A.Y. 2008-09. The said penalty order is pending before the Commissioner of Income Tax (Appeals).
- v. During the F.Y. 2011-12, the Company has received a demand notice from The Commissioner, Central Excise, Jaipur for deposition of Service Tax liability of Rs. 2,24,71,199/- and penalty of Rs. 2,24,71,199/-. Against this order an appeal has been filed before, The custom, Excise, Service Tax Appellate Tribunal, New Delhi (The Company has been granted stay by the CESTAT to deposit the demand).

**2. Foreign exchange earnings and outgo:**

CIF value of Imports is Rs. NIL (Previous year NIL)  
 Other expenses incurred in foreign currency on manpower, administrative and marketing expenses – Rs. 91,095/- (Previous year Rs. 1,53,827/-).  
 FOB value of exports - Rs 2,01,25,922/- (Previous year Rs 1,93,50,436/-).

3. The Balance of Trade receivables, Loans & Advances, Current Liabilities and secured loans are subject to confirmation and reconciliation from such parties. The classification of Trade Receivables in terms of realization has been done on the basis of information and explanations provided by the management.
4. The classification of assets and liabilities into long term or short term as required under revised schedule VI of Companies Act, 1956 has been done on the basis of information, explanations and the estimates given by the Management.
5. The previous year's figures have been regrouped /rearranged, wherever found necessary.

**6. Dividend remitted in foreign currency:**

PARTICULARS	2012-13	2011-12
For the Financial Year 2010-11	-	3,63,825/-
For the Financial Year 2011-12	3,20,175/-	-
No. of Shares	10,67,250	12,12,750

**7. Dues to Small-Scale Industrial Undertakings:**

The Company had no outstanding dues for more than Rs. 1,00,000/- to any Small-Scale Industrial Undertaking.

8. A provision for diminution in the value of Non-Current investments of Rs. 3,94,277/- for current year has been made whereas provision of diminution in value of Non-current investments of Rs. 3,74,664/- related to previous year has been written back, as it is no longer required. The net effect of the above amount has been considered in the Statement of Profit and Loss.

**9. Earnings per share:**

	2012-13	2011-12
A. Profit Attributable to equity shareholders (Rs.)	8,69,01,934/-	11,09,12,897/-
B. Weighted Average Number of Equity Shares (Face Value of Rs. 2/-)	7,91,25,188	7,91,25,188
C. Nominal Value of Equity Shares (Rs.)	2/-	2/-
D. EPS (Basic & Diluted) [A / B]	1.10	1.40

**10. Deferred Taxes:**

Deferred Tax Liabilities:	2012-13	2011-12
Opening balance	Rs. 1,02,12,564/-	Rs. 6,00,01,975 /-
Adjustment of Deferred Tax		
Charged to Statement of Profit & Loss	(Rs. 1,37,03,974/-)	(Rs. 4,97,89,411 /-)
<b>Net Deferred Tax Liabilities/(Assets)</b>	<b>(Rs. 34,91,410 /-)</b>	<b>Rs. 1,02,12,564 /-</b>

**11. Retirement Benefits:**

- a) The Company operates post retirement defined benefit plans as follows:
  - i. Post Retirement Gratuity
- b) Details of the post retirement gratuity plan are as follows:

Description	In Rs.
<b>1. Reconciliation of opening and closing balances of obligation</b>	
a. Opening Defined Benefit Obligation as at 1.4.2012	17,67,297
b. Current Service Cost	5,13,724
c. Interest Cost	1,45,802
d. Actuarial (Gain)/Loss	96,838
e. Benefits Paid	(1,24,875)
f. Obligation as at 31.3.2013	
The defined benefit obligation as at 31.3.2013 is funded by the Company	23,98,786
<b>2. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>	
a. Fair Value of Plan Assets as at 1.4.2012	-
b. Expected return on Plan Assets	-
c. Actuarial Gain/(Loss)	-
d. Contributions	-
e. Benefits Paid	-
f. Fair Value of Plan Assets as at 31.3.2013	-
<b>3. Reconciliation of fair value of assets and obligations</b>	
a. Fair Value of Plan Assets as at 31.3.2013	-
b. Present Value of Obligation as at 31.3.2013	23,98,786
c. Amount recognised in the Balance Sheet	23,98,786

**4. Expense recognised during the year**

a. Current Service Cost	5,13,724
b. Interest Cost	1,45,802
c. Expected return on Plan Assets	-
d. Actuarial (Gain)/Loss	96,838
e. Past Service Cost	-
f. Losses/(gains) on curtailments and settlement	-
g. Expense recognised during the year	7,56,364

**5. Investment Details**

	<b>% invested</b>
a. GOI Securities	-
b. Public Sector Unit Bonds	-
c. State / Central Guaranteed Securities	-
d. Special Deposit Schemes	-
e. Private Sector Bonds	-
f. Others (including bank balances)	-

**6. Assumptions**

a. Discount Rate (per annum)	8.25%
b. Estimated Rate of return on Plan Assets (per annum)	-
c. Rate of Escalation in Salary (per annum)	6.50%

**12. Related Party Disclosures:**

**A. List of Related Parties:**

**(i) Parties where control exists: Subsidiary Companies:**

- ITneer Inc.
- CSL Infomedia Private Limited

**(ii) Associates & Joint Ventures:**

- Tekmark CSL Inter Solutions LLC

**(iii) Other related parties with whom transactions have taken place during the year:**

**a) Key Management Personnel:**

- Mr. Surendra Kumar Surana, Managing Director
- Mr. Ajay Kumar Surana, Director
- Mr. Shubh Karan Surana, Director

**b) Enterprises over which the key management personnel exercises Significant influence:**

- Rishabh Infotech Private Limited
- Sambhav Infotech Private Limited
- Compucom Technologies Private Limited
- Compucom Foundation
- Compucom (India) Private Limited
- Compucom Software Limited Employee Welfare Trust

**B. Transactions with the related parties:**

(Rs. in lacs)

Nature of Transaction	Subsidiary	Associates	Key Management Personnel	Enterprises over which the key management personnel exercises significant influence
Investment Made	130.00	0.00	0.00	0.00
Services Rendered	183.56	0.00	0.00	0.00
Services received	30.34	0.00	0.00	1.06
Purchase of assets	0.00	0.00	0.00	0.00
Sale of assets	0.00	0.00	0.00	0.00
Dividend paid	0.00	0.00	9.17	150.96
Rent incurred	0.00	0.00	0.78	1.68
Rent earned	1.80	0.00	2.21	1.08
Remuneration	0.00	0.00	11.04	0.00
Interest Paid	0.00	0.00	0.00	109.79
<b>Outstanding Balance as on 31.03.2013</b>				
-Receivables	345.48	0.00	0.00	0.02
-Payables	0.00	0.00	0.32	580.62

**13. Segment reporting:**

The Company has three reportable segments through its three undertakings,

Undertaking	A	B	C
<b>Business</b>	Software and E-governance Services	Learning Solutions	Wind Power Generation
	Provides software support & development and E-Governance services	Provides Computer education and training services.	Generates Electricity through the use of Wind Power.

Organizational structure of the Company and also the process of performance measurement and making decisions of allocation of resources amongst these activities, supports these operations constituting distinct segments for reporting of financial information. Accordingly revenues and expenses are attributed and allocated to these three segments.

Secondary segment reporting is performed on the basis of geographical location of customers.

Fixed assets and liabilities are not identifiable between business segments as these are used interchangeably between them. Management believes that it is not practicable to provide segment disclosures of total assets and liabilities, except in the Wind Power Project in which total capital outlay is Rs. 16.08 crores.

**(a) Primary Reporting Segment on the basis of Business Segment:**

**(Rs. in Lacs)**

Segment	Software Services		Learning Solutions		Wind Power Generation		Treasury		Total	
	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12
a) Revenue	584.99	695.00	6,334.30	6,096.27	208.43	204.05	219.87	187.34	7,347.59	7,182.66
b) Identifiable operating expenses	319.42	363.25	3,036.69	2,377.92	16.62	19.69	-	-	3,372.74	2,760.86
c) Allocated expenses	81.14	84.82	2,453.09	2,966.05	100.84	97.66	-	-	2,635.06	3,148.53
d) Segment operating income (a-b-c)	184.43	246.93	844.52	752.30	90.97	86.70	219.87	187.34	1,339.79	1,273.27
e) Unallocable expenses	-	-	-	-	-	-	-	-	45.04	44.21
f) Profit before taxes (d-e)	-	-	-	-	-	-	-	-	1,294.75	1,229.06
g) Income Taxes	-	-	-	-	-	-	-	-	425.73	119.92
h) Profit after Taxes (f-g)	-	-	-	-	-	-	-	-	869.02	1,109.14

**(b) Secondary Segment Reporting on the basis of Geographical location of revenues earned**

**(Rs. in Lacs)**

Segment	USA		India		Total	
	12-13	11-12	12-13	11-12	12-13	11-12
Revenue	201.26	193.50	7146.33	6989.16	7347.59	7182.66
Identifiable Operating expenses	77.09	59.32	3295.65	2701.54	3372.74	2760.86
Allocated Expenses	25.74	22.31	2609.32	3126.22	2635.06	3148.53
Segment Operating Income	98.43	111.87	1241.36	1161.40	1339.79	1273.27
Unallocable expenses	-	-	-	-	45.04	44.21
Profit Before Taxes	-	-	-	-	1,294.75	1229.06
Income Taxes	-	-	-	-	425.73	119.92
Profit After Taxes	-	-	-	-	869.02	1109.14

**For S. Misra & Associates**

Chartered Accountants  
FRN - 004972C

CA Sachindra Misra, Partner  
Membership No. - 073776

Surendra Kumar Surana  
Managing Director & CEO

**For and on the behalf of the Board**

Shubh Karan Surana  
Director

CA Vishnu Bargoti  
Chief Financial Officer

CS Swati Jain  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

**Information about Subsidiary Companies (Pursuant to Section 212 of the Companies Act, 1956)**

1	Name of Subsidiary	ITneer, Inc., USA
2	Financial Year of Subsidiary Company ended on	March 31, 2013
3	Holding Company	Compucom Software Limited, India
4	Holding Company's interest	100%
5	Shares held by the Holding Company in the Subsidiary	78,155 shares of at par value
6	The net aggregate of profits or losses for the current Financial Year of the Subsidiary so far as it concerns the members of Holding Company	
	(a) Dealt with or provided for in the accounts of Holding Company	Nil
	(b) Not dealt with or provided for in the accounts of Holding Company	US\$ 2115
7	The net aggregate of profits or losses for previous financial years of the Subsidiary so far as it concerns the members of Holding Company	
	(a) Dealt with or provided for in the accounts of Holding Company	Nil
	(b) Not to dealt with or provided for in the accounts of Holding Company	US\$ 113206
8	Material changes between end of Financial Year of the Subsidiary Company and the Company's Financial Year ended on March 31, 2013	
	(a) Fixed assets	Nil
	(b) Investments	Nil
	(c) Money lent	Nil
	(d) Money borrowed other than those for meeting current liabilities	Nil
	(e) Interest of Holding Company in the Subsidiary	Nil

**For S. Misra & Associates**

**For and on the behalf of the Board**

*Chartered Accountants*  
FRN - 004972C

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CA Vishnu Bargouti**  
Chief Financial Officer

**CS Swati Jain**  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

**Information about Subsidiary Companies (Pursuant to Section 212 of the Companies Act, 1956)**

1	Name of Subsidiary	CSL Infomedia Pvt. Ltd.
2	Financial Year of Subsidiary Company ended on	March 31, 2013
3	Holding Company	Compucom Software Limited, India
4	Holding Company's interest	65%
5	Shares held by the Holding Company in the Subsidiary	45,50,000 shares of at par value
6	The net aggregate of profits or losses for the current Financial Year of the Subsidiary so far as it concerns the members of Holding Company	
	(a) Dealt with or provided for in the accounts of Holding Company	Nil
	(b) Not dealt with or provided for in the accounts of Holding Company	Rs. (5923893)-
7	The net aggregate of profits or losses for previous financial years of the Subsidiary so far as it concerns the members of Holding Company	
	(a) Dealt with or provided for in the accounts of Holding Company	Nil
	(b) Not to dealt with or provided for in the accounts of Holding Company	Rs. 840594/-
8	Material changes between end of Financial Year of the Subsidiary Company and the Company's Financial Year ended on March 31, 2013	
	(a) Fixed assets	Nil
	(b) Investments	Nil
	(c) Money lent	Nil
	(d) Money borrowed other than those for meeting current liabilities	Nil
	(e) Interest of Holding Company in the Subsidiary	Nil

**For S. Misra & Associates**

**For and on the behalf of the Board**

*Chartered Accountants*  
FRN - 004972C

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CA Vishnu Bargouti**  
Chief Financial Officer

**CS Swati Jain**  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013



**AUDITORS' REPORT ON CONSOLIDATED STATEMENTS**

To  
The Board of Directors of  
Compucom Software Limited  
On The Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of COMPUCOM SOFTWARE LIMITED (the "Company") and its subsidiaries (collectively referred as ("the Group")), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the 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 the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries as noted below, the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

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

**Other Matter**

We did not audit the Financial Statements of one of the subsidiaries, namely, ITneer Inc. whose Financial Statements reflect total assets of Rs. 6,61,15,416/- as at March 31, 2013, total revenues of Rs. 3,63,28,921/- and net cash flows of (Rs. 7,03,218/-) for the year ended on that date as considered in Consolidated Financial Statements. These Financial Statements and other information of the subsidiary have been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditor.

Our opinion is not qualified in respect of this matter.

**FOR S. MISRA & ASSOCIATES**

Chartered Accountants  
FRN-004972C

**CA SACHINDRA MISRA**

Partner  
M. No. 073776

Jaipur  
May 27, 2013

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013**
**(Rs.)**

	As at March 31,2013	As at March 31,2012
<b>EQUITY AND LIABILITIES</b>		
<b>A. Shareholders' funds</b>		
(i) Share Capital	158,250,376	158,250,376
(ii) Reserves and Surplus	915,411,274	853,723,615
(iii) Money received against Share Warrants	-	15,850,000
<b>B. Share application money pending allotment</b>	-	-
<b>C. Minority Interest</b>	21,894,650	18,086,365
<b>D. Non-Current Liabilities</b>		
(i) Long-Term Borrowings	165,004,414	189,656,204
(ii) Deferred Tax Liabilities (Net)	-	10,349,004
(iii) Other Long Term Liabilities	6,997,382	5,525,432
(iv) Long-Term Provisions	129,008,724	175,617,722
<b>E. Current Liabilities</b>		
(i) Short-Term Borrowings	27,651,637	25,794,559
(ii) Trade Payables	75,975,794	64,681,196
(iii) Other Current Liabilities	262,384,316	153,305,482
(iv) Short-Term Provisions	56,677,119	43,996,277
<b>TOTAL</b>	<b>1,819,255,685</b>	<b>1,714,836,231</b>
<b>ASSETS</b>		
<b>A. Non-Current Assets</b>		
(i) Fixed Assets		
(a) Tangible Assets	522,019,039	456,276,203
(b) Intangible Assets	1,557,377	1,857,377
(c) Capital Work-in-Progress	-	807,588
(d) Intangible Assets under Development	-	-
(ii) Non-Current Investments	2,815,613	3,762,127
(iii) Deferred Tax assets (net)	2,687,657	-
(iv) Long-Term Loans and Advances	18,858,531	27,350,716
(v) Other Non-Current Assets	833,256	833,256
<b>B. Current Assets</b>		
(i) Trade Receivables	762,426,051	792,090,166
(ii) Cash and Cash Equivalents	430,555,733	361,407,378
(iii) Short-Term Loans and Advances	75,811,615	68,369,789
(iv) Other Current Assets	1,690,813	2,081,631
<b>TOTAL</b>	<b>1,819,255,685</b>	<b>1,714,836,231</b>

**NOTES ON ACCOUNTS ARE ATTACHED**

The notes attached form an integral part of Balance Sheet

This is the Consolidated Balance Sheet referred to in our report of even date

**For S. Misra & Associates**

Chartered Accountants

FRN - 004972C

CA Sachindra Misra, Partner  
Membership No. - 073776

Surendra Kumar Surana  
Managing Director & CEO

**For and on the behalf of the Board**

Shubh Karan Surana  
Director

CA Vishnu Bargoti  
Chief Financial Officer

CS Swati Jain  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED ON MARCH 31, 2013**

	(Rs.)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Revenue from Operations	737,610,222	716,245,249
Other Income	28,725,776	24,872,180
<b>TOTAL REVENUE</b>	<b>766,335,998</b>	<b>741,117,429</b>
<b>Expenditures:</b>		
Employee Benefits Expenditures	42,597,590	30,642,889
Learning Solution Expenditures	198,280,844	194,241,026
Finance Costs	44,053,030	52,830,221
Depreciation and Amortization Expenditures	186,253,616	247,728,828
Other Expenditures	172,226,040	91,496,070
<b>TOTAL EXPENDITURES</b>	<b>643,411,119</b>	<b>616,939,034</b>
<b>Profit before Tax</b>	<b>122,924,879</b>	<b>124,178,395</b>
Tax Expenditures:		
(1) For Current tax	55,779,809	53,133,706
(2) For Deferred tax	(13,270,221)	(49,732,995)
(3) For Earlier Years	788,154	8,935,397
<b>Profit / (Loss) for the period from Continuing Operations</b>	<b>79,627,137</b>	<b>111,842,289</b>
Profit/(loss) from Discontinuing Operations	-	-
Tax Expense of Discontinuing Operations	-	-
Profit/(Loss) from Discontinuing Operations (after tax)	-	-
<b>Profit/(Loss) for the year</b>	<b>79,627,137</b>	<b>111,842,289</b>
Earnings Per Equity Share		
<b>(1) Basic</b>	<b>1.01</b>	<b>1.41</b>
<b>(2) Diluted</b>	<b>1.01</b>	<b>1.41</b>

**NOTES ON ACCOUNTS ARE ATTACHED**

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

**For S. Misra & Associates**  
Chartered Accountants  
FRN - 004972C

CA Sachindra Misra, Partner  
Membership No. - 073776

Surendra Kumar Surana  
Managing Director & CEO

**For and on the behalf of the Board**

Shubh Karan Surana  
Director

CA Vishnu Bargoti  
Chief Financial Officer

CS Swati Jain  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
<i>(Rs.)</i>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	121,137,542	125,306,363
Interest Income	(24,660,577)	(21,616,140)
Depreciation	186,572,553	247,809,232
Loss on Sale of assets	514,610	409,428
Profit on sale of assets	(145,191)	-
Loss due to theft	-	139,492
Provision for Gratuity	631,489	9,121
Provision for Diminution in value of Investments	19,613	170,962
Preliminary exp written off	5,504	5,504
Operating Profit before Working Capital Changes	284,075,543	352,233,961
Decrease/(Increase) in Trade Receivables	40,416,954	(188,624,246)
Decrease/(Increase) in Loans and Advances ( Current & Non Current)	(27,593,716)	51,909,145
Decrease/(Increase) in Other Current & Non Current Assets	(13,056,119)	(5,619,680)
Increase/(Decrease) in Current & Non Current Liabilities	115,228,794	31,121,800
Cash Generated from Operations	399,071,456	241,020,980
Income Tax Paid	(52,615,934)	(65,606,963)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>346,455,522</b>	<b>175,414,017</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	24,660,577	21,616,140
Purchase of Fixed Assets	(255,867,716)	(7,519,903)
Sale of Fixed Assets	5,769,391	1,277,141
Investment/ sale in Shares	(11,875,000)	-
Increase/Decrease in unpaid dividend account and FDRs having maturity more than 3 months	(240,213,279)	(13,939,519)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(477,526,027)</b>	<b>1,433,859</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Paid up Share Capital	20,000,000	-
(Decrease)/Increase in Loan Funds	(24,651,790)	(148,876,399)
Dividend Paid (Including Dividend Tax)	(27,588,382)	(27,680,068)
Bank Overdraft	(8,034,066)	8,034,066
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(40,274,238)</b>	<b>(168,522,401)</b>
Effect of change in exchange rate	279,817	1,257,324
Total Increase/(Decrease) in Cash and Cash Equivalents	(171,344,743)	8,325,475
Cash and Cash Equivalents at the beginning of the year	299,198,340	289,615,541
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>128,133,415</b>	<b>299,198,340</b>

This is the Consolidated Cash Flow Statement referred to in our report of even date

**For S. Misra & Associates**

Chartered Accountants

FRN - 004972C

CA Sachindra Misra, Partner  
Membership No. - 073776

Surendra Kumar Surana  
Managing Director & CEO

**For and on the behalf of the Board**

Shubh Karan Surana  
Director

CA Vishnu Bargeti  
Chief Financial Officer

CS Swati Jain  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

**Notes to the Consolidated Financial Statements**

1. The Financial Statements prepared by consolidating the Financial Statements of Compucom Software Limited with its subsidiary companies; namely ITneer Inc. incorporated in United States of America and CSL Infomedia Private Limited are presented as additional information in terms of the requirements of Accounting Standard-21 “Consolidated Financial Statements” notified by the Companies (Accounting Standard) Rules, 2006. These are not intended to substitute the separate financial statements of the Company issued as primary statements. The notes on Consolidated Financial Statements should be read in conjunction with the notes on the separate financial statements of the Holding Parent Company, and subsidiaries ITneer Inc. and CSL Infomedia Pvt. Ltd. which form part of the financial statements of the respective entities.

**2. Controlling interest of Parent in subsidiary companies:**

	<b>2012-13</b>	<b>2011-12</b>
ITneer Inc, USA	100%	100%
CSL Infomedia Pvt. Ltd.	65%	65%

3. The Audited Financial Statements of ITneer, Inc. and CSL Infomedia Pvt. Ltd. are also annexed hereinafter this report.

**4. Principles of consolidation**

Consolidated Financial Statements presents result of operations and financial position on the basis of group as a single entity. The consolidation of the accounts is done for Compucom Software Limited, the parent company, with its wholly owned foreign subsidiary company ITneer Inc., incorporated in USA and CSL Infomedia Private Limited in accordance with the requirements of Accounting Standard-21 “Consolidated financial statements” notified by the Companies (Accounting Standard) Rules, 2006, and generally accepted accounting principles. They are prepared combining items on a line- by-line basis in the separate financial statements of the Parent and the subsidiary companies and eliminating all intra-group transactions, profits, investments, receivables and payables. They are consolidated assuming same set of accounting principles and policies as followed by the Company in preparation of its separate set of accounts. Accounting period of the subsidiaries and Company are same.

**5. Foreign currency translation:**

The functional currency of parent Company is Indian Rupees and that of ITneer Inc. is US Dollars. For the purpose of consolidation, as per accounting standard–11(Revised) “The effect of change in foreign exchange rates”, the operations of ITneer Inc. are considered as non-integral foreign operations. Assets and Liabilities (Both monetary and non-monetary) are translated using exchange rate effected as on March 31, 2013 Revenue and expenses are translated using the average exchange rate during the period, except depreciation and provision for income tax, which has been translated at closing rate. Exchange difference created on account of translations are accounted in foreign currency translation reserve.

6. Previous year’s figures have been regrouped/rearranged, wherever found necessary.

**7. Consolidated Segment Reporting:**

**(a) Primary Reporting Segment by Business Segment**

**(Rs. in lacs)**

Segment	Software Services		Learning Solutions		Wind Power		Others		Elimination		Total	
	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12
Revenue	902.75	1044.78	6334.30	6096.27	208.44	204.05	430.24	187.34	(212.36)	(121.27)	7663.36	7411.17
Identifiable Op. Exp.	647.78	700.32	3036.69	2377.92	16.62	19.69	265.27	-	(212.36)	(121.27)	3754.00	2976.66
Allocated Expenses	81.14	84.82	2453.08	2966.05	100.85	97.66	-	-	-	-	2635.06	3148.53
Segment Op. Income	173.83	259.64	844.53	752.30	90.97	86.70	164.97	187.34	-	-	1274.29	1285.98
Unallocable Expenses	-	-	-	-	-	-	-	-	-	-	45.04	44.21
Profit Before Taxes	-	-	-	-	-	-	-	-	-	-	1229.25	1241.77
Income Taxes	-	-	-	-	-	-	-	-	-	-	432.98	123.35
Net Profit after Tax	-	-	-	-	-	-	-	-	-	-	796.27	1118.42

**b) Secondary Reporting Segment by Geographical Segment**

**(Rs. in lacs)**

Segment	USA		India		Elimination		Total	
	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12
Revenue	564.55	513.56	7282.37	7017.08	(183.56)	(119.47)	7663.36	7411.17
Identifiable Operating Expenses	450.97	378.59	3486.59	2717.54	(183.56)	(119.47)	3754.00	2976.66
Allocated Expenses	25.74	22.31	2609.33	3126.22	-	-	2635.06	3148.53
Segment Operating Income	87.84	112.66	1186.45	1173.32	-	-	1274.29	1285.98
Unallocable Expenses	-	-	-	-	-	-	45.04	44.21
Profit Before Taxes	-	-	-	-	-	-	1229.25	1241.77
Income Taxes	-	-	-	-	-	-	432.98	123.35
Net Profit after Tax	-	-	-	-	-	-	796.27	1118.42

**For S. Misra & Associates**  
Chartered Accountants  
FRN - 004972C

**For and on the behalf of the Board**

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CA Vishnu Bargouti**  
Chief Financial Officer

**CS Swati Jain**  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2013

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
ITneer, Inc.  
Buford, GA 30518

I have audited the accompanying Balance Sheet of ITneer, Inc. as of March 31, 2013 and the related statement of income and retained earnings and statement of cash flows for the year then ended. These Financial Statements are the responsibility of the Company's management. My responsibility is to express an opinion on these Financial Statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the Financial Statements referred to above present fairly, in all materials respects, the financial position of ITneer, Inc. as of March 31, 2013 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ravi Ramaswamy, CPA  
Manmouth Junction, New Jersey  
May 9, 2013

**ITNEER, INC.  
BALANCE SHEET AS OF MARCH 31, 2013  
ASSETS**

		(Amount in \$)
Cash		258,177
Accounts Receivable	Note 4	139,911
Other receivable		2,000
Employee Advances	Note 3	2,053
Prepaid Corporate Taxes		314
<b>Total Current Assets</b>		<b>402,455</b>
Land		262,869
Building & Improvements (Net of Depreciation of \$ 90,532)	Note 6	538,614
Furniture & Equipment (Net of Depreciation of \$ 49,320)	Note 6	25,747
<b>Total Fixed Assets Net</b>		<b>827,230</b>
Investment - TCIS LLC	Note 7	25,187
Security Deposits		3,271
<b>Total Other Assets</b>		<b>28,458</b>
<b>TOTAL ASSETS :</b>		<b>1,258,143</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts Payable		125,578
Payroll Taxes Payable		544
Current Income Tax		1,390
Deferred Income Tax		10,025
Rental Deposit		5,285
<b>Total Current Liabilities :</b>		<b>142,822</b>
<b>STOCKHOLDER'S EQUITY</b>		
Common Stock: 1,000,000 authorised common stock at no-par		
Paid in capital		1,000,000
Retained Earnings		115,321
Total Stockholder's Equity		1,115,321
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<b>1,258,143</b>

See Accountant's Report accompanying Notes.

**STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2013**

<b>Income :</b>	(Amount in \$)
Income From Services	614,742
<b>Other Income</b>	
Investment : Portfolio	15,889
Investment : Rental	72,192
<b>Total Income</b>	<b>702,823</b>

**Expenses :**

Sub Contracting	359,372
Salaries	182,295
Depreciation and Amortization	25,148
Travel Expense	17,632
Legal and Professional Fees	17,440
Fringes	14,847
Commission	13,000
Insurance	12,147
Real Estate Tax	11,036
Repairs and Maintenance	9,250
Utilities	6,648
Supplies	5,967
Telephone	4,499
Meals & Entertainment	3,483
Office Expenses - Atlanta	3,390
Condo Dues	3,260
License and Permits	1,720
Advertising and Promotion	1,009
Internet Expense	702
Donation	661
Postage	551
Bank Charges	427
Dues & Subscriptions	344
Security	336
<b>Total Expense</b>	<b>695,164</b>
Income before Taxes	7,659
Current	6,970
Deferred	(1,426)
<b>Net Income after Taxes</b>	<b>2,115</b>
<b>Retained Earnings, Beginning of Year</b>	<b>113,206</b>
<b>Retained Earnings, End of Year</b>	<b>115,321</b>

See Accountant's Report accompanying Notes.

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>	(Amount in \$)
Net Income	2,115
Adjustments to Reconcile Income: Current Year Depreciation	25,148
Changes in operating assets and liabilities:	
Accounts Receivable	(89,725)
Prepaid Expenses and Taxes	3,281
Accounts Payable	56,155
Loan and Employee Receivable	(2,720)
Net Cash used by Operating Activities	(5,746)
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>	
Purchase of Assets	(11,320)
Net Cash used from investing activities	(11,320)
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>	
Interest Paybles	0
Loan Payable	0
Net Cash Provided By Financing Activities	0
Net (decrease) / Increase in cash	(17,066)
Cash / (overdraft) - beginning of year	275,243
Cash / (overdraft) - end of year	258,177
Income Taxes - Current	6,970

See Accountant's Report accompanying Notes.



**Notes to Financial Statements March 31, 2013**

**Note 1 : INTRODUCTION**

ITneer, Inc. (Company) is a closely - held New Jersey corporation wholly owned subsidiary of Compucom Software Limited, India, with the headquarters located in the state of Georgia. The Company provides computer consulting services in the form of turn-key project and skilled programmers to various clients. The Majority of turn-key projects are done by parent Company in India.

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

**Accrual Basis :** The Financial Statements have been prepared using the accrual basis of accounting, which recognize income when earned and expenses when incurred.

**Use of Estimates :** The preparation of Financial Statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported of income and expenses during the reporting period. Actual result could differ from those estimates.

**Fixed Assets :** Acquisition of fixed assets are recorded at cost and depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

**Income Taxes :** Deferred income taxes in the accompanying Financial Statements reflect temporary difference in reporting results of operation for income tax and financial accounting purposes.

**Concentration of credit and market risk :** Financial instruments that potentially expose ITneer, Inc. to concentrations of credit and market risk consist primarily of cash. Accounts at financial institutions are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 for each bank effective through December 31, 2013. As of March 31, 2013 ITneer, Inc. was not exposed to credit risk.

**Subsequent events :** ITneer, Inc. evaluated its March 31, 2013 Financial Statements for subsequent events through May 9, 2013, the date the Financial Statements were available to be issued. ITneer Inc. is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**Note 3. EMPLOYEE ADVANCE**

The Company provides on a need basis employee advances or short term loan, interest free for sixty (60) days or less. As of March 31, 2013 the balance of these was \$2,053.

**Note 4. ACCOUNT RECEIVABLES**

The Account receivable of \$139,911 is to be received from two of its customers. A loss of these customers could have a material impact on the financial condition of the Company.

**Note 5. COMMITMENTS**

ITneer, Inc. has no lease commitment.

**Note 6. FIXED ASSETS**

(Amount in \$)

	Cost	Accumulated Depreciation	Net	Estimated Useful Lives
Land	262,869	0	262,869	
Building and Improvement	629,146	90,532	538,614	27/39/10 years
Furniture and Equipment	75,067	49,320	25,747	3/5/7 years
Total	967,082	139,852	827,230	

The Company provides straight line depreciation for the book purposes and recorded \$25,148 for the year ended March 31, 2013.

**Note 7. INVESTMENTS**

The Company has made a 50% Partnership in Tekmark-CSL International Solutions, LLC (TCIS), a domestic calendar year Limited Liability Company. For the year ending December 31, 2012, the Company’s share of profit from the investment was \$3,995 which was recorded as an increase to the Investment in TCIS as of March 31, 2013. There was no distributions received during the year.

**Note 8. RENTAL INCOME**

The Company owns three properties in the State of Georgia and rental income received from the properties is reflected in the financial statement as other income

**Note 9. OUTSOURCING**

The total outsourcing costs of \$359,847 was recorded as of March 31, 2013 of which \$332,847 was from Compucom Software Limited, India (a Parent Company) and there was an outstanding payable of \$112,595 payable to Compucom Software Limited, India as of March 31, 2013.

## CSL INFOMEDIA PRIVATE LIMITED AUDITORS' REPORT TO THE MEMBERS

**Report on the Financial Statements** - We have audited the accompanying Financial Statements of M/s CSL INFOMEDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 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 accounting principles generally accepted in India including 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

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

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows 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 annex hereto a statement on the matters specified in paragraphs 4 and 5 of the 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 account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - e) On the basis of written representations received from the Directors as on March 31, 2013, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For and on behalf of**  
S. MISRA & ASSOCIATES  
**Chartered Accountants**  
FRN-004972C

**CA SACHINDRA MISRA**  
Partner  
M. No. - 073776

Jaipur  
May 18, 2013

### ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 OF M/S CSL INFOMEDIA PRIVATE LIMITED

As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that:

#### i. Fixed Assets :-

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The management on a sample basis during the year has physically verified the major assets and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.

- c. There has been no substantial disposal of fixed assets during the year, so as to affect the going concern status of the Company.
- ii. Inventories :-** The Company does not have any inventories.
- iii. Loans to/from the parties covered in the register mentioned under Section 301 of the Act:-**
- a. The Company has not granted any unsecured loan to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. The Company has taken unsecured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was of Rs. 3,01,97,063/- (outstanding balance as at March 31, 2013 - Rs. 2,84,24,572/-). The Company has not paid any interest on the above amount. In our opinion and according to the information and explanations given to us, the terms & conditions of the unsecured loans so taken are prima facie not prejudicial to the interest of the Company. There is no irregularity in principal repayments as per mutual stipulations.
- iv. Internal Control System:-** In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control.
- v. Transactions with Related Parties as per Register of Contract u/s 301:-**
- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in 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 Rs. 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
- vi. Public Deposits:-** According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- vii. Internal Audit System:-** In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business. However, in our opinion, the system needs to be strengthened further so as to match up with the growth of the Company.
- viii. Cost Records:-** According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for any of the activities of the Company.
- ix. Statutory Dues:-**
- a. Undisputed Statutory Dues:- According to records of the Company, it has generally been regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- b. Disputed Statutory Dues:- According to the information and explanations given to us, there are no disputed dues which have remained outstanding as at the end of the Financial Year, for a period of more than six months from the date they became payable.
- x. Sick Industry :-** According to the information and explanations given to us and based on the documents and records produced before us we report that the accumulated losses of the Company at the end of the Financial Year 2012-13 are less than the limit specified under this clause of paragraph 4 of the Order i.e. '50% of the net worth of the Company'. Further, The Company has incurred cash losses in the Financial Year 2012-13. However, in the immediately preceding Financial Year, the Company has not incurred cash losses.
- xi. Repayment of dues to Financial Institution or Bank or Debenture holders :-** According to the information and explanations given to us and based on the documents and records produced before us, the Company does not have any outstanding dues from Financial Institution or Bank or Debenture holders.
- xii. Loans and Advances granted on the basis of security :-** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii. Chit Fund, Nidhi or Mutual Benefit Company:-** In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- xiv. Company dealing or trading in shares, securities, debentures and other investments :-** In respect of the shares, securities, debentures and other investments dealt or traded by the Company, proper records of the transactions and contracts have been maintained and timely entries have been made therein. All the investments are held by the Company in its own name.
- xv. Guarantees given for loans taken by others from bank or financial institution :-** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. Application of Term loans:-** The Company has not raised any term loans during the year.
- xvii. Use of short-term funds for long term Investments:-** According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records of the Company, we are of the opinion that, prima facie short-term funds have not been used for long-term investments.
- xviii. Preferential allotment of shares to parties and Companies covered under Section 301:-** The Company has not made any preferential allotment of shares to the Company covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. Security and Charge on Debentures:-** The Company did not issue any debentures during the year.
- xx. End use of money raised by public issues:-** The Company has not raised any money by a public issue, during the year.
- xxi. Fraud on or by the Company-noticed or reported:-** According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported during the year.

**For and on behalf of**  
**S. MISRA & ASSOCIATES**  
**Chartered Accountants**  
 FRN-004972C  
**CA SACHINDRA MISRA**  
 Partner  
 M. No. - 073776

Jaipur  
 May 18, 2013

**CSL INFOMEDIA PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2013**

	Note No.	As at March 31, 2013	As at March 31, 2012
<b>(Rs.)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>A. Shareholders' Funds</b>			
(i) Share Capital	1	70,000,000	50,000,000
(ii) Reserves and Surplus	2	(7,427,343)	1,686,339
(iii) Money Received against Share Warrants			
<b>B. Non-Current Liabilities</b>			
(i) Long-Term Borrowings	3	28,424,572	-
(ii) Deferred Tax Liabilities (Net)		803,753	136,440
<b>C. Current Liabilities</b>			
(i) Short-Term Borrowings	4	-	8,034,065
(ii) Other Current Liabilities	5	938,443	206,683
(iii) Short-Term Provisions	6	905,693	692,240
<b>TOTAL</b>		<b>93,645,118</b>	<b>60,755,767</b>
<b>ASSETS</b>			
<b>A. Non-Current Assets</b>			
(i) Fixed Assets	7		
(a) Tangible Assets		19,175,482	927,970
(b) Intangible Assets		1,557,377	1,857,377
(c) Capital work-in-progress		-	807,588
(ii) Non-Current Investments	8	20,000	20,000
(iii) Long-Term Loans and Advances	9	46,500	-
(iv) Other Non-Current Assets	10	-	5,504
<b>B. Current Assets</b>			
(i) Trade Receivables	11	13,533,624	-
(ii) Cash and Cash Equivalents	12	53,642,163	51,115,769
(iii) Short-Term Loans and Advances	13	5,664,467	6,016,055
(iv) Other Current Assets	14	5,504	5,504
<b>TOTAL</b>		<b>93,645,118</b>	<b>60,755,767</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 18**

The notes attached form an integral part of the Balance Sheet

As per our Report of Even Date

**For S. Misra & Associates**  
Chartered Accountants  
FRN - 004972C

**For and on the behalf of the Board**

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CS Gyaneshwer Kumar**  
Company Secretary

Jaipur  
May 18, 2013

**CSL INFOMEDIA PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED ON MARCH 31, 2013**

(In Rs.)

	<b>Note No.</b>	<b>Year Ended March 31, 2013</b>	<b>Year Ended March 31, 2012</b>
Revenue from Operations	<b>15</b>	21,720,140	-
Other Income		3,639,701	4,573,139
<b>TOTAL REVENUE</b>		<b>25,359,841</b>	<b>4,573,139</b>
Direct Expenses	<b>16</b>	18,562,559	-
Employee Benefits Expense			
-Salary and Incentives		9,768,475	800,237
Finance Costs		9,862	498
Depreciation and Amortization Expenses		911,250	229,725
Other Expenses	<b>17</b>	4,554,064	1,706,588
<b>TOTAL EXPENSES</b>		<b>33,806,210</b>	<b>2,737,048</b>
<b>Profit before tax</b>		<b>(8,446,368)</b>	<b>1,836,091</b>
Tax Expenses:			
(1) Current tax		-	481,450
(2) Deferred tax		667,313	86,794
<b>Profit / (Loss) for the period from continuing operations</b>		<b>(9,113,682)</b>	<b>1,267,847</b>
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
<b>Profit / (Loss) for the period</b>		<b>(9,113,682)</b>	<b>1,267,847</b>
Earnings Per Equity Share			
<b>(1) Basic</b>		<b>(1.82)</b>	<b>0.25</b>
<b>(2) Diluted</b>		<b>(1.82)</b>	<b>0.25</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 18**

The notes attached form an integral part of the Balance Sheet

As per our Report of Even Date

**For S. Misra & Associates**  
Chartered Accountants  
FRN - 004972C

**For and on the behalf of the Board**

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CS Gyaneshwer Kumar**  
Company Secretary

Jaipur  
May 18, 2013

**CSL INFOMEDIA PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

(in Rs.)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	(8,446,368)	1,836,091
Interest Income	(3,560,701)	(4,573,139)
Preliminary Expenses written off	5,504	5,504
Depreciation	911,250	229,725
Operating Profit before Working Capital Changes	(11,090,315)	(2,501,819)
Decrease/(Increase) in Other Current Assets	(13,228,536)	(4,996,459)
Increase/(Decrease) in Current Liabilities	29,851,235	(210,093)
<b>Cash Generated from Operations</b>	<b>5,532,384</b>	<b>(7,708,371)</b>
Income Tax paid	(481,450)	(140,680)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,050,934</b>	<b>(7,849,051)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(18,051,174)	(3,356,748)
Purchase of Investment	-	(20,000)
Interest Income	3,560,701	4,573,139
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(14,490,473)</b>	<b>1,196,391</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	20,000,000	-
Dividend paid (including dividend tax)	-	-
Bank Overdraft	(8,034,066)	8,034,066
Loan From Related Parties	-	-
Repayment of Loan	-	(1,466,819)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>11,965,934</b>	<b>6,567,247</b>
Net Increase/(Decrease) in cash and cash equivalents	2,526,394	(85,413)
Cash and Cash Equivalents at the Beginning of the Year	51,115,769	51,201,182
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>53,642,163</b>	<b>51,115,769</b>

As per our Report of Even Date

**For S. Misra & Associates**  
Chartered Accountants  
FRN - 004972C

**For and on the behalf of the Board**

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CS Gyaneshwer Kumar**  
Company Secretary

Jaipur  
May 18, 2013

**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

**NOTE 1**

(In Rs.)

<b>SHARE CAPITAL</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>Authorised</b>		
70,00,000 Equity Shares of Rs. 10 each (50,00,000 Equity Shares of Rs. 10 each)	70,000,000	50,000,000
<b>Issued, Subscribed and Fully Paid up</b>		
70,00,000 Equity Shares of Rs. 10 each Fully Paid (50,00,000 Equity Shares of Rs. 10 each Fully Paid)	70,000,000	50,000,000
<b>Total</b>	<b>70,000,000</b>	<b>50,000,000</b>

**NOTE 1A**

<b>Reconciliation of shares</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>	<b>Number</b>	<b>Amount (Rs.)</b>
<b>Shares outstanding at the beginning of the year</b>	5,000,000	50,000,000	5,000,000	50,000,000
Shares Issued during the year	2,000,000	20,000,000	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>7,000,000</b>	<b>70,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>

**NOTE 1 B**

45,50,000 Equity Shares (Rs. 4,55,00,000) are held by Compucom Software Limited, the Holding Company.

**NOTE 1C**

**Particulars of equity share holders holding more than 5% of the total number of equity share capital**

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
		<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
1	Compucom Software Limited	4,550,000	65.00%	3,250,000	65.00%
2	Sambhav Infotech Private Limited	2,440,000	34.86%	1,740,000	34.80%

- 1) The Company has only one class of equity shares having par value of Rs. 10 per share. Each share holder is entitled to one vote per share.
- 2) Company has not declared any dividend during the year ended March 31, 2013
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. Company doesn't have any preferential amounts in the Balance Sheet.

**NOTE 2**

(In Rs.)

<b>Reserves &amp; Surplus</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
<b>Surplus</b>		
Opening Balance	1,686,339	418,492
Net Profit/(Net Loss) For the current year	(9,113,682)	1,267,847
<b>Closing Balance</b>	<b>(7,427,343)</b>	<b>1,686,339</b>

**NOTE 3**

**Long Term Borrowings**

**Unsecured Loans**

From related parties (Holding Company)	28,424,572	-
<b>Total</b>	<b>28,424,572</b>	<b>-</b>

(In Rs.)

	As at March 31, 2013	As at March 31, 2012
<b>NOTE 4</b>		
<b>Short Term Borrowings</b>		
<b>Secured</b>	-	-
<b>Unsecured</b>		
<b>(i) Loans repayable on demand</b>		
From Banks		
Bank Overdraft from ING Vysya Bank	-	8,034,066
<b>(ii) Loans and advances from related parties</b>	-	-
<b>Total</b>	-	<b>8,034,066</b>
<b>NOTE 5</b>		
<b>Other Current Liabilities</b>		
Expenses Payable	297,883	18,383
TDS Payable	42,561	4,375
Creditors for Capital Goods	83,645	145,101
Creditors for Expenses	514,354	38,824
<b>Total</b>	<b>938,443</b>	<b>206,683</b>
<b>NOTE 6</b>		
<b>Short Term Provisions</b>		
<b>Provision for employee benefits:</b>		
Salary & Reimbursements	905,693	210,790
<b>Others</b>		
Provision for Income Tax	-	481,450
<b>Total</b>	<b>905,693</b>	<b>692,240</b>

**NOTE 7**

**DEPRECIATION AS PER COMPANIES ACT, 1956 FOR THE PERIOD ENDED ON MARCH 31, 2013**

FIXED ASSETS	GROSS BLOCK						ACCUMULATED DEPRECIATION					NET BLOCK	
	As at April 1, 2012	Additions	Disposals/ Transfer	Acquired through business combina- tions	Revaluat- ions/ (Impair- ments)	As at March 31, 2013	As at April 1, 2012	Deprecia- tion charged for the year	Adjust- ment due to revalu- ations	On Dispo- sals	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>a Tangible Assets</b>													
Building	-	4,081,717	-			4,081,717	-	33,932	-	-	33,932	4,047,785	-
Plant and Equipment	557,315	13,280,847	-			13,838,162	108,696	488,429	-	-	597,125	13,241,037	448,619
Vehicles	281,015	-	-			281,015	365	26,696	-	-	27,061	253,954	280,650
Office Equipment	199,045	1,267,436	-			1,466,481	344	57,521	-	-	57,865	1,408,616	198,701
Furniture & Fixture		228,762	-			228,762		4,672	-	-	4,672	224,090	-
<b>Total</b>	<b>1,037,375</b>	<b>18,858,762</b>				<b>19,896,137</b>	<b>109,405</b>	<b>611,250</b>	-	-	<b>720,655</b>	<b>19,175,482</b>	<b>927,970</b>
<b>b Intangible Assets</b>													
Licenses and Franchise Fees	2,000,000	-	-			2,000,000	142,623	300,000	-	-	442,623	1,557,377	1,857,377
<b>Total</b>	<b>2,000,000</b>	-				<b>2,000,000</b>	<b>142,623</b>	<b>300,000</b>	-	-	<b>442,623</b>	<b>1,557,377</b>	<b>1,857,377</b>
<b>c Capital Work In Progress</b>	807,588	2,608,919	3,416,507			-	-	-	-	-	-	-	807,588
<b>Total</b>	<b>807,588</b>	<b>2,608,919</b>	<b>3,416,507</b>			-	-	-	-	-	-	-	<b>807,588</b>
<b>TOTAL</b>	<b>3,844,963</b>	<b>21,467,681</b>	<b>3,416,507</b>			<b>21,896,137</b>	<b>252,028</b>	<b>911,250</b>	-	-	<b>1,163,278</b>	<b>20,732,859</b>	<b>3,592,935</b>



**Note 8**

**Non-Current Investment**

(In Rs.)

Details of Investment	As at March 31, 2013	As at March 31, 2012
<b>Trade Investments</b>	-	-
<b>Other Investments (Refer Table A below)</b>		
Investments in Government or Trust securities	20,000	20,000
<b>Total</b>	<b>20,000</b>	<b>20,000</b>
Less : Provision for diminution in the value of Investments	-	-
<b>TOTAL</b>	<b>20,000</b>	<b>20,000</b>

**Details of Other Investments**

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity/ Others	No. of Shares/Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (in Rs.)		Whether stated at Cost Yes/No	If Answer to Column (9) is 'No'- Basis of Valuation	
			As at 31-Mar-13	As at 31-Mar-12			As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-13	As at 31-Mar-12			
(a)	Investments in Government or Trust securities												
	NSC in Post Office	Others	NA	NA	NA	NA	NA	NA	NA	20,000	20,000	Yes	NA
	<b>Total</b>									<b>20,000</b>	<b>20,000</b>		

**NOTE 9**

**Long Term Loans and Advances**

	As at March 31, 2013	As at March 31, 2012
<b>Security Deposits</b>		
Unsecured, considered good	46,500	-
<b>Total</b>	<b>46,500</b>	<b>-</b>

**NOTE 10**

**Other Non Current Assets**

**Long term trade receivables**

(including trade receivables on deferred credit terms)	-	-
<b>Others</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Preliminary Exp. Not written off	-	5,504
<b>Total</b>	<b>-</b>	<b>5,504</b>

**NOTE 11**

**Trade Receivables**

Trade receivables outstanding for a period less than six months	10,076,320	-
Unsecured, considered good (net of credit balance)	-	-
Trade receivables outstanding for a period exceeding six months	3,457,304	-
Unsecured, considered good (net of credit balance)	-	-
<b>Total</b>	<b>13,533,624</b>	<b>-</b>

	(In Rs.)	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 12</b>		
<b>Cash and Cash Equivalents</b>		
a. Balances with banks		
(i) In current Accounts	20,948,708	95,335
(ii) In Deposits Accounts	31,516,867	51,017,829
b. Cheques, drafts on hand	1,173,962	-
c. Cash on hand	2,626	2,605
<b>Total</b>	<b>53,642,163</b>	<b>51,115,769</b>
<b>NOTE 13</b>		
<b>Short-Term Loans and Advances</b>		
<b>Loans and advances to related parties</b>	-	-
<b>Others</b>		
Secured, considered good	-	-
Unsecured, considered good		
For Supply of Goods and Services	517,425	4,299,802
Interest accrued but not due	2,138,919	1,237,514
Advance Income Tax	725,204	478,739
Service Tax Receivable	200,950	-
Prepaid Expenses	2,045,233	-
Advances to Employees- Salary Advance	36,736	-
<b>Total</b>	<b>5,664,467</b>	<b>6,016,055</b>
<b>NOTE 14</b>		
<b>Other current assets</b>		
Preliminary Expenses to be written off in next Reporting Period	5,504	5,504
<b>Total</b>	<b>5,504</b>	<b>5,504</b>
<b>NOTE 15</b>		
<b>Revenue From Operations</b>		
Advertisement Receipts	21,698,780	-
Income From Media Academy	21,360	-
<b>Total</b>	<b>21,720,140</b>	-
<b>NOTE 16</b>		
<b>Direct Expenses</b>		
<b>Jan TV operational expenses</b>		
Band Placement Charges	1,625,806	-
Broadcasting Charges	12,889,747	-
Business Promotion Support	86,348	-
Data Content Charges	150,000	-
Internet Leaseline Charges	517,770	-
News Content Charges	412,300	-
News Coverage Exp. Bihar	33,740	-
News Coverage Expenses	1,027,438	-
Placement Execution Expenses	1,767,355	-
Recording & Dubbing Expenses	2,400	-
Jan TV Bihar Expenses	49,655	-
<b>Total</b>	<b>18,562,559</b>	-

(In Rs.)

	As at March 31, 2013	As at March 31, 2012
<b>NOTE 17</b>		
<b>Other expenses</b>		
Auditor's Remuneration		
-For Company Law Matters	6,742	3,371
-For Taxation Matters	4,494	2,247
Advertisement	860,343	22,134
Content Search Expenses	-	600,000
Consultancy Charges	-	50,100
Legal & Professional Fees	263,093	63,060
Miscellaneous Expenses	3,152	35,395
Preliminary Expenses	5,504	5,504
Printing & Stationary	236,262	33,276
Power & Fuel	61,562	60,000
Rent	1,300,998	804,270
Telephone & Internet Charges	122,889	27,231
Discount A/c	360,180	-
Office Expenses	359,695	-
Travelling & Conveyance Expenses	178,072	-
Repair & Maintenance Expenses	457,939	-
Service Charges	136,292	-
Inauguration Charges	126,000	-
Patrakar Kalyan Kosh	20,642	-
Postage & Telegram	3,150	-
Insurance Expenses	37,602	-
Interest on Income Tax, Service Tax & TDS	9,453	-
<b>Total</b>	<b>4,554,064</b>	<b>1,706,588</b>

**Note 18**
**Significant Accounting Policies and Notes on Accounts**
**A. ACCOUNTING POLICIES**
**1. Basis of preparation of Financial Statements**

The Financial Statements are prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. Accounts are maintained following historical cost convention. Incomes and expenses are accounted on accrual basis and all known expenses and liabilities are provided in full.

**2. Income Tax**

Income taxes have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to timing differences between the taxable income and the accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or settled. The effect of changes in the tax rates on deferred tax assets and liabilities is recognised in the statement of income in the period of change. Deferred tax assets are recognised based on management's judgment as to the sufficiency of future taxable income against which the deferred tax asset can be realized.

**3. Fixed Assets:**

- i. All fixed assets are stated in the Balance Sheet at cost less accumulated depreciation. Cost comprises the purchase price and any other attributable costs incurred by the Company in bringing the asset in its present location and making it fit for its intended use.
- ii. Depreciation is provided for on Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956 on average pro-rata basis from the month in which assets come in to operation or put to use.

**NOTES ON ACCOUNTS**

**1. Quantitative details:**

The Company has not carried out any manufacturing and production activities during the year. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

**2. Contingent Liabilities:** Nil

**3. Others:**

The Company has not paid any remuneration to Directors during the year. There was no foreign exchange earning or outgo. The Company did not owe any money to any small-scale organization as at the end of Financial Year.

4. The previous year's figures have been recasted/restated, wherever necessary, to conform to the same with the current Financial Year.

**5. Deferred Taxes:-**

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance of Deferred Tax Liability	1,36,440/-	49,646/-
Deferred Tax Liability created during the year	6,67,313/-	86,794/-
Closing Balance of Deferred Tax Liability	<b>8,03,753/-</b>	<b>1,36,440/-</b>

**6. Related Party Disclosure:**

**A. List of Related Parties:**

**(a) Holding company**

- Compucom Software Limited

**(b) Key Management Personnel**

- Mr. Surendra Kumar Surana, Managing Director
- Mr. Shubh Karan Surana

**(c) Enterprises over which the key management personnel exercises significant influence:**

- Rishabh Infotech Private Ltd
- Compucom Technologies Private Ltd
- Compucom Foundation
- Compucom (India) Private Limited

**B. Transactions with the related parties:**

(Rs. in lakhs)

Nature of Transaction	Holding Company	Key Management Personnel	Enterprises over which the key management personnel exercises significant influence
Share Capital Issued	130.00	0.00	70.00
Services Rendered	27.00	0.00	117.00
Services received	0.00	0.00	0.00
Purchase of assets	0.00	0.00	0.00
Sale of assets	0.00	0.00	0.00
Water & electricity exp. paid	0.00	0.00	0.60
Rent Paid	2.02	0.00	8.85
Rent earned	0.00	0.00	0.00
Remuneration	0.00	0.00	0.00
Interest Paid	0.00	0.00	0.00
<b>Outstanding Balance as on 31.03.2013</b>			
-Receivables	0.00	0.00	92.93
-Payables	284.25	0.00	3.24

**For S. Misra & Associates**

Chartered Accountants

FRN - 004972C

**For and on the behalf of the Board**

**CA Sachindra Misra, Partner**  
Membership No. - 073776

**Surendra Kumar Surana**  
Managing Director & CEO

**Shubh Karan Surana**  
Director

**CS Gyaneshwer Kumar**  
Company Secretary

Jaipur  
May 18, 2013

**COMPUCOM SOFTWARE LIMITED**

Venue: "KRISHNA AUDITORIUM", Compucom Engineering College Compound,  
SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur- 302 022 (Rajasthan)  
Nineteenth Annual General Meeting on Thursday, September 19, 2013

**ATTENDANCE SLIP**

(Please complete this Form and hand it over at the entrance)

DP Id \_\_\_\_\_

Client Id \_\_\_\_\_  
(For shares held in Demat Form)

Folio No \_\_\_\_\_  
(For shares held in Physical Form)

Name of Member \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(To be filled in only when a Proxy attends the Meeting)

I hereby record my presence at the Nineteenth Annual General Meeting being held on Thursday, September 19, 2013 at "KRISHNA AUDITORIUM", Compucom Engineering College Compound, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur- 302 022 (Rajasthan)

Signature of the Shareholder/Proxy/  
Authorized representative

- NOTES:** -
1. Shareholder/Proxy holder wishing to attend the Meeting must bring this attendance slip, duly signed, to the Meeting and hand it over at the entrance.
  2. Shareholder/Proxy holder desiring to attend the Meeting should bring his/her copy of Annual Report for reference at the Meeting.

**COMPUCOM SOFTWARE LIMITED**

Venue: "KRISHNA AUDITORIUM", Compucom Engineering College Compound,  
SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur- 302 022 (Rajasthan)  
Nineteenth Annual General Meeting on Thursday, September 19, 2013

**FORM OF PROXY**

I / We, \_\_\_\_\_, resident of \_\_\_\_\_ in the district of \_\_\_\_\_ in the State of \_\_\_\_\_ being a shareholder of Compucom Software Limited, hereby appoint \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ in the State of \_\_\_\_\_ or failing him \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ in the State of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Meeting of shareholders of Compucom Software Limited to be held on Thursday, September 19, 2013 at 11.30 A.M. and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013.



Name of Shareholder :  
Registered Folio No. :  
DP ID :  
Client ID :  
No. of Shares Held :

Signature of Shareholder  
/first named holder

**Note :**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A Proxy need not be a Member.
3. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.

जन TV

1st Anniversary

जन TV PLUS



• Reliance DTH Ch. # 422      • Hathway Cable Ch. # 246  
 • BSNL IPTV Ch. # 174      • DEN Cable Ch. # 324  
 • & on other local Cable Network      • Digi Cable Ch. # 216  
 • Worldwide Live on [www.jantv.in](http://www.jantv.in)

## BOOK-POST



### INDIA LOCATIONS

#### Compucom Software Limited

##### Regd. & Corporate Office :

IT 14-15, EPIP, RIICO Industrial Area,  
Sitapura, Jaipur (Rajasthan) - 302022, India  
Ph. : +91-141-5115908 (10 Lines),  
Fax : +91-141-2770335  
E-mail : investor@compucom.co.in

##### Delhi Office :

5051, IInd Floor,  
Netaji Subhash Marg,  
Daryaganj,  
New Delhi - 110 002, India  
Tel. : +91-11-43580569

##### Bihar Office :

F-29, Pushpanjali Complex,  
In Front of Police Post,  
Boring Road, Patna,  
Bihar, India  
Tel. : +91-77810-16750

### OVERSEAS LOCATIONS

#### ITneer, Inc.



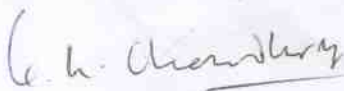
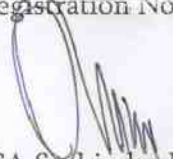
1880 South Lee CT, South Lee Business Park, Buford GA 30518 USA  
E-mail : usa@imeer.com

Visit us at : [www.compucom.co.in](http://www.compucom.co.in)

**COMPUCOM SOFTWARE LIMITED**

FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

S. No.	Particulars	Details
1.	Name of the Company	Compucom Software Limited
2.	Annual Consolidated Financial Statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	<ul style="list-style-type: none"><li>CEO/Managing Director</li></ul>	 Mr. Surendra Kumar Surana (Managing Director & CEO)
	<ul style="list-style-type: none"><li>CFO</li></ul>	 Mr. Vishnu Bargoti (Chief Financial Officer)
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	 Mr. G. L Chaudhary (Independent Director)
	<ul style="list-style-type: none"><li>Auditor of the Company</li></ul>	Refer our Audit Report Dated May 27, 2013 on the consolidated Financial Statements of the Company  For M/s S. MISRA & ASSOCIATES Chartered Accountants (Firm registration No. 004972C)  CA Sachindra Misra (Partner) (Membership No. 073776)
		Jaipur May 27, 2013

