



**20th  
Annual Report  
2013-2014**



## From the desk of CEO & MD

Dear Shareholder

Greetings!

An innate feeling that good days are in offing and the dedication and positive decision making will lead to the overall development of our nation. For the enhancement of skill and future roadmap of development, the role of Information Technology will be vital.

The previous year was full of challenges. Due to the state assembly elections in Rajasthan and the General elections at national level, the Government Machinery had to withhold some of the policy decisions of further progressive actions. Notwithstanding such challenges, your Company has not only maintained top line almost at par with the previous year but improved PAT level. The EPS has improved from Rs. 1.10 to Rs. 1.29. Likewise, the book value per share has also increased from Rs. 13.92 to Rs. 14.74, which shows improved financial health of your Company. During the FY 2013-2014 we have completed ICT-Phase I project successfully.

Your company has been successful to recover good amount from the outstanding receivables, which has improved the Debtors Turnover Ratio of the company.

It is expected that the F Y 2014-2015 will be year of skill development of the educated masses for which ICT & computer education will play a dominant role; therefore we are hopeful for securing more orders for ICT & computer education and E-Governance projects in the days to come.

A stable government augurs well for Indian Economy, which in turn should generate more opportunities for Information Technology Industry in the country. We are positive that the coming days will be the days of growth in the country and your company is fully geared up to be part of this.

I assure you that we will scale new height in the FY 2014-2015. I would like to place on record my sincere thanks to the Board of Directors, Shareholders, Central & State Government, Education Department, RIICO, Stock Exchanges, Bankers, Vendors and Staff Members, who have always helped the Company to maintain excellence and strived for growth.

With Warm Regards

**Surendra Kumar Surana**

Managing Director & CEO

August 1, 2014.

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## Corporate Information

### 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

**Ghisa Lal Chaudhary**

Independent Director & Non-Executive Director

**Ramesh Chand Jain**

Independent Director & Non-Executive Director

**Rajendra Prasad Udawat**

Independent Director & Non-Executive Director

**Dr. Anjila Saxena**

Independent Director & Non-Executive Director  
(Additional Director w.e.f. August 1, 2014)

### 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

Corporate Identification Number:-L72200RJ1995PLC009798

### BOARD COMMITTEES

**Audit Committee**

Ghisa Lal Chaudhary (Chairman)

Shubh Karan Surana

Rajendra Prasad Udawat

**Nomination & Remuneration Committee**

Ramesh Chand Jain (Chairman)

Ghisa Lal Chaudhary

Shubh Karan Surana

**Stakeholder Relationship Committee**

Ramesh Chand Jain (Chairman)

Shubh Karan Surana

Stephen Carl Viehman

**Corporate Social Responsibility Committee**

Ghisa Lal Chaudhary (Chairman)

Shubh Karan Surana

Surendra Kumar Surana

**Swati Jain**

Company Secretary & Compliance Officer

### SECRETARIAL AUDITORS

**V. M. & Associates**

Company Secretaries

403, Royal World, Sansar Chandra Road,  
Jaipur (Rajasthan)-302001, India

## NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the members of Compucom Software Limited will be held on Wednesday, August 27, 2014 at 11.30 A.M. At the "KRISHNA AUDITORIUM", Compucom Engineering College Compound, in front of Compucom Software Limited office, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur-302022(Rajasthan), India to transact the following business:-

### ORDINARY BUSINESS:

1. To consider and adopt:
  - a) The Audited Financial Statements for the year ended March 31, 2014 together with the report of Board of Directors and Auditors Report.
  - b) The Consolidated Audited Financial Statement for the year ended March 31, 2014.
2. To declare a Final dividend on Equity Share for the Financial Year 2013-14.
3. To appoint a Director in place of Mr. Ajay Kumar Surana (DIN:-01365819) who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s S. Misra & Associates, Chartered Accountants, Jaipur (Registration No.: FRN-004972C), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the third consecutive Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

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

"**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee to the Board of Directors, M/s S. Misra & Associates, Chartered Accountants, Jaipur (Registration No.: FRN-004972C), be and is hereby re-appointed as the **Statutory Auditors** of the Company, to hold office from conclusion of this Annual General Meeting to the conclusion of the third consecutive Annual General Meeting (subject to ratification of the appointment by the Shareholders at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors."

### 5. RE-APPOINTMENT OF MR. SURENDRA KUMAR SURANA AS A MANAGING DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT**, in accordance with the provision of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of **Mr. Surendra Kumar Surana** (DIN:-00340866) as Managing Director of the Company, for a terms of 5 (Five) years with effect from 10th July, 2014, on the terms, conditions and stipulations, including remuneration as set out in the Explanatory Statement annexed here to, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and **Mr. Surendra Kumar Surana** be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**RESOLVED FURTHER THAT** subject to the applicable provisions and subject to the applicable statutory approvals, approval of the Company be and is hereby accorded for ratification and confirmation of all acts, deeds and whatsoever done, signed and executed by Mr. Surendra Kumar Surana for and on behalf of the Company by virtue of his position of the Managing Director of the Company from July 10, 2014 to August 1, 2014, including and not limited to the powers and authorities vested in him by the Board of Directors of the Company

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

### 6. CESSATION OF DIRECTOR:-

To consider and if thought fit to pass with or without modification the following resolution as an **ordinary resolution**:-

"**RESOLVED THAT** not to fill for the time being the vacancy caused by the cessation of Mr. Ghisa Lal Chaudhary, Director, who does not seek re-appointment."

### 7. BORROWING POWERS OF THE BOARD

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

"**RESOLVED THAT**, in supersession of the resolution passed at the 15<sup>th</sup> Annual General Meeting of the Members of the Company held on September 18<sup>th</sup>, 2009, the consent of the Member of Company be and is hereby accorded pursuant to the provisions of section 180(1)(c) of Companies Act, 2013 (including any statutory modifications thereof for the time being in force) and subject to such approval, if any, required, the company hereby accords its consent to the Board of Director, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow any sum of money or sums of money from time to time from any one or more of the Company's banker and/or from any one or more persons, firms, bodies corporate or financial institution whether by way of cash credit, advance or deposit, loan, bank guarantee or bill discounting or otherwise including external commercial borrowings/ foreign currency, convertible bonds and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Companies assets and properties whether immovable, movable or stock in trade (including raw material, stock in process, finished goods, stores, spare parts and components in stock or in transit) and work in progress together with the money already borrowed by the Company (apart from temporary loans obtain from the Companies banker in the ordinary course of business) will or may exceed the aggregate of the paid up capital and free reserve of the Company, that is to say, reserve not set apart for any specific purpose but howsoever, that the total amount up to which the money may be borrowed by the Board of Company and outstanding any time shall not exceed the sum of Rs. 300 Crores (Three Hundred Crores) exclusive of interest and the Board is hereby further authorized to execute



such deeds of mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instrument or writing as the Board may think fit and containing such condition and covenants as the Board may think fit.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to this resolution."

**8. APPOINTMENT OF DR. ANJILA SAXENA (DIN : 02353483) AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Anjila Saxena (DIN: 02353483), who was appointed as an Additional Director on August 1, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years."

**"RESOLVED FURTHER THAT** the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

**9. APPOINTMENT OF MR. RAMESH CHAND JAIN AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Ramesh Chand Jain (holding DIN : 00981936), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of 1 (one) year commencing from 1st April, 2014 up to 31st March, 2015, not liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

**10. APPOINTMENT OF MR. STEPHEN CARL VIEHMAN AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Stephen Carl Viehman (holding DIN : 01388313), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of (2) two consecutive years commencing from 1st April, 2014 up to 31st March, 2016, not liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

**11. APPOINTMENT OF MR. RAJENDRA PRASAD UDAWAT AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Rajendra Prasad Udawat (holding DIN : 00341110), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of (2) two consecutive years commencing from April, 1<sup>st</sup> 2014 up to March 31<sup>st</sup>, 2016, not liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

Date: August 1, 2014

Place: Jaipur

Registered Office:

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

By order of the Board

(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.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

**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.**

3. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 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.
4. Corporate Members intending to send their authorized 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.
5. 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, August 25, 2014 to Wednesday, August 27, 2014 (both days inclusive) and for payment of dividend for the Financial Year 2013-2014.
6. 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.
7. 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).
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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, 2013.
14. 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 Twentieth Annual General Meeting.
15. 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.
16. Compucom Software Ltd. 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.
17. 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.
18. 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)
19. The Register of Directors' shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
20. The Register of Contracts maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the registered office of the Company.
21. 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.
22. **Voting through electronic means:-**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for members for voting electronically are as under:-**

**(I) In case of members receiving e-mail:**

- i. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on "Shareholders" tab to cast your votes.
- iv. Now, select the Electronic Voting Sequence Number ("EVSN") along with "COMPUCOM SOFTWARE LIMITED" from the drop down menu and click on "SUBMIT".
- v. Now, enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the captcha code as displayed and click on login.
- vi. Now, fill up the following details in the appropriate boxes:

**For Members holding shares in Demat Form for Members holding shares in Physical Form**

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
PAN*	PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their first name followed by the last eight digits of their folio number/ member ID. In case the folio number / member ID is less than 8 digits enter the applicable number of 0's before the number and after the first two characters of name. Example if your name is Ramesh Kumar with folio number/ member ID 1 then enters RA0000001 in the PAN filed.

# please enters any one of the details in order to login. In case both the details are not recorded with the depository or Company please enter the member ID/ folio number in the Dividend Bank details filed.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note this new password. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- ix. Click on the relevant Company on which you choose to vote.
- x. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

**(II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

- A. Please follow all steps from sl. no. (ii) to sl. no. (xiii) above, to cast vote.
- B. The voting period begins on Tuesday, August 12, 2014 (9:00 am) and ends on Thursday, August 14, 2014 (6:00 pm).
- C. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, July 25, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- D. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- E. CS Manoj Maheshwari, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- F. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.compucom.co.in](http://www.compucom.co.in) and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

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

**ITEM No. 5:-**

The Board of Directors of the Company (the 'Board'), at its meeting held on August 1, 2014 has, subject to the approval of members, re-appointed Mr. Surendra Kumar Surana as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expired on July 9, 2014, at the remuneration recommended by the Board. It is proposed to seek the members' approval for the re-appointment. The remuneration fixed by Board to Mr. Surendra Kumar Surana at monthly up to Rs. Two lac (200000/-) only. The overall remuneration payable every year to the Managing Director by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. shall not exceed in aggregate five percent of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment thereof, as referred to in the resolution at this Item of the Notice.

The Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Managing Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Management Personnel. The conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Surendra Kumar Surana under Section 190 of the Act. Brief resume of Mr. Surendra Kumar Surana, nature of their expertise in specific functional areas, names of companies in which they hold directorships and



memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the annexure of Notice.

The Board recommends the resolution for your approval.

Save and except Mr. Surendra Kumar Surana being appointee and Mr. Shubh Karan Surana & Mr. Ajay Kumar Surana relatives of appointee, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, interested or concerned in the resolution.

**Item No. 6:-**

Mr. Ghisa Lal Chaudhary has expressed his unwillingness to seek re-election as a Director of the Company at this Annual General Meeting. The Company does not propose to fill up the vacancy at this Meeting or any adjournment thereof. Hence as required under provisions of the Companies Act, 2013, the resolution as contained at this Item of the Notice has been proposed seeking that the vacancy caused by the cessation of Mr. Ghisa Lal Chaudhary be not filled up at this meeting or any adjournment thereof. The Board recommends the resolution for your approval. Save and except Mr. Ghisa Lal Chaudhary, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, interested or concerned in the resolution.

**Item No. 7:-**

The Members of the Company at the 15th Annual General Meeting held on September 18, 2009, had granted its approval by way of Ordinary Resolution to the Board of Directors to borrow money beyond the paid up capital and free reserve (apart from the temporary loans and advance obtains from the Companies banker(s) in the ordinary course of business). As per the provision of section 180(1)(c) of the Companies Act, 2013 the Board of Directors of the Company shall not, without the consent of the Members of the company accorded at the General Meeting by means of a Special Resolution to borrow money beyond the paid up capital and free reserve, it is therefore proposed to provide the authority to the Board of Directors or sub-committee thereof, by seeking appropriate authorization from the members of the Company. The Board recommends the above resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No. 8:-**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Dr. Anjila Saxena as an Additional Director of the Company with effect from August 1, 2014. In terms of the provisions of Section 161(1) of the Act, Dr. Anjila Saxena would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Anjila Saxena for the office of Director of the Company. Dr. Anjila Saxena is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. The Company has received a declaration from Dr. Anjila Saxena that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Dr. Anjila Saxena possesses appropriate skills, experience and knowledge; inter alia, in the field of Management. In the opinion of the Board, Dr. Anjila Saxena fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Brief resume of Dr. Anjila Saxena, and her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided as forming part of the Notice. Copy of the draft letter for appointment of Dr. Anjila Saxena as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the Ordinary Resolution set out at this item of the Notice for approval by the shareholders.

**Item No. 9:-**

The provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) provides that an Independent Director, shall hold office for a term of five consecutive years on the Board of the Company but shall be eligible for reappointment on passing of special resolution by the Company. However, no independent Director shall hold office for more than two consecutive terms on the Board of the Company.

Furthermore, Clause 49 of the Listing Agreement (as amended) states that an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for re-appointment, on completion of his present term, for one more term of up to five years only.

Under the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from member along with requisite deposit, proposing the appointment of Mr. Ramesh Chand Jain, as Director of the Company.

Mr. Ramesh Chand Jain has given his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Disqualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of (Appointment & Disqualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In consonance with the aforesaid, it is proposed to appoint Mr. Ramesh Chand Jain, as independent director of the Company to hold office for a term up to 31<sup>st</sup> March, 2015.

Brief resume of Mr. Ramesh Chand Jain nature of their expertise in specific functional areas and names of companies in which they holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the annexure of Notice.

Save and except, Mr. Ramesh Chand Jain being appointee, none of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 to 7 of the Notice.

The Board recommends the above resolution 8 for approval of the members.

**Item No. 10 to 11:-**

The provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) provides that an Independent Director, shall hold office for a term of five consecutive years on the Board of the Company but shall be eligible for reappointment on passing of special resolution by the Company. However, no independent Director shall hold office for more than two consecutive terms on the Board of the Company.

Furthermore, Clause 49 of the Listing Agreement (as amended) states that an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for re-appointment, on completion of his present term, for one more term of up to five years only.

Under the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from members along with requisite deposit, proposing the appointment of Mr. Stephen Carl Viehman Mr. Rajendra Prasad Udawat, as Directors of the Company.

Mr. Stephen Carl Viehman Mr. Rajendra Prasad Udawat, has given their (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Disqualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of (Appointment & Disqualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. In consonance with the aforesaid, it is proposed to appoint Mr. Stephen Carl Viehman, Mr. Rajendra Prasad Udawat, as independent directors of the Company to hold office for a term upto 31<sup>st</sup> March, 2016.

Brief resume of Mr. Stephen Carl Viehman and Mr. Rajendra Prasad Udawat, nature of their expertise in specific functional areas and names of companies in which they holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the annexure of Notice.

Save and except, Mr. Stephen Carl Viehman Mr. Rajendra Prasad Udawat, being appointee, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 to 8 of the Notice.

The Board recommends the above resolutions 10 to 11 for approval of the members.

#### ANNEXURE TO THE NOTICE OF 20TH 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 Wednesday, August 27<sup>th</sup>, 2014:

Name of Director	Mr. Ajay Kumar Surana	Mr. Surendra Kumar Surana	Mr. Stephen Carl Viehman	Mr. Ramesh Chand Jain	Mr. Rajendra Prasad Udawat	Dr. Anjila Saxena
Age	65 years	52 years	55 years	68 years	68 years	69 years
Designation	Non-Independent and Non-Executive	CEO & Managing Director	Independent and Non-Executive	Independent and Non-Executive	Independent and Non-Executive	Independent and Non-Executive
Expertise in specific functional area	CEO of ITneer Inc. from many years, worked as Software consultant in Bell Atlantic, Client Server, DBMS Technology, Internet & E-Commerce segments.	Mr. Surendra Kumar Surana an electric engineer, rose to handle critical portfolio with his outstanding performance, leadership and project management skills also have a rich experience in Indian IT&Education industry.	Major US telecommunications company in plant operations engineering, design and planning, and information systems technology division.	Experienced of 30 years in Govt. sector. Worked in State Govt. Administrative Officer and Additional District Magistrate and Advisor of RIICO	Organizing Industrial promotion campaigns in India and abroad Expertise Project financing, Project implementation.	Experienced in Management studies, worked as a faculty in Poddar, Commerce College and Foreign university. Appointed as a nominee director in Rajasthan Bank by RBI.
Qualification	M-Tech (IIT, Delhi) (Computer Science)	B. E. Electrical & Electronics	B-Tech (Electrical)	Master Degree in Chemistry	Bachelor Degree holder in Mechanical Eng.	Ph.D. in Organization Structure
Directorship in other Companies on 31/03/2014	1. Sambhav Infotech Pvt. Ltd. 2. Compucom Technology Pvt. Ltd. 3. Compucom (India) Pvt. Ltd. 4. Rishab Infotech Pvt. Ltd. 5. Magnan Hospitality and Holdings Inc. 6. ITneer Inc.	1. Sambhav Infotech Pvt. Ltd. 2. Compucom Technology Pvt. Ltd. 3. Compucom (India) Pvt. Ltd. 4. Rishab Infotech Pvt. Ltd. 5. CSL Infomedia Pvt. Ltd. 6. ITneer Inc.	Nil	1. Skyedge Realtors Pvt. Ltd. 2. Skyedge Build Home Pvt. Ltd.	Man Structurals Pvt. Ltd.	Nil
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2014	Nil	Nil	Nil	Nil	Nil	Nil
No. of shares held in the Company as on 31st March, 2014	475500	1770300	210000	Nil	Nil	Nil

Date: August 1, 2014

Place: Jaipur

Registered Office:

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

By order of the Board

(Swati Jain)  
Company Secretary

## Directors' Report

### The Shareholder, Compucom Software Limited

Your Directors have immense pleasure in presenting their 20<sup>th</sup> Annual Report on the business and operations of the Company together with Audited Financial Accounts for the year ended on March 31, 2014.

#### Financial Results:

(Rs. in Lacs)

The highlights of the financial results for the financial year 2013-2014 are as follows:

Particulars	31.03.2014	31.03.2013
Total Income	7,385.92	7,347.59
Total Expenses	3,968.61	3,768.97
<b>Operating Profit (PBDIT)</b>	<b>3,417.31</b>	<b>3,578.62</b>
Finance Cost	337.28	440.47
Depreciation	1,502.28	1,843.40
Profit before Tax	1577.75	1294.75
Provision for Income Tax including Deferred Tax	554.04	425.73
<b>Net Profit after Tax</b>	<b>1023.71</b>	<b>869.02</b>
Appropriation		
Dividend	316.50	316.50
Dividend Tax	53.79	51.34
Transfer to General Reserve	-	100.00
<b>Total Appropriations</b>	<b>370.29</b>	<b>467.84</b>
Earnings per Share: Basic and Diluted (in Rs.)		
Considering Extraordinary Items	1.29	1.10
Without Considering Extraordinary Items	1.29	1.10

#### Results of Operations:

Total revenues earned during the year amounted to Rs. 7385.92 Lacs compared to that of Rs. 7347.59 Lacs in the previous financial year. During the year under review, the income from operations was Rs. 7050.36 Lacs compared to Rs. 7127.72 Lacs in the previous financial year. This reflects decrease of Rs.77.36 Lacs, which is mainly due to the decrease of income from Learning Solution business segment. The profit before tax has increased from Rs. 1294.75 Lacs in the previous financial year to Rs. 1577.75 Lacs in the current financial year. The profit before interest, depreciation and tax during this period is Rs. 3417.31Lacs as compared to the previous financial year PBIDT i.e. Rs.3578.62 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 2013-14 was Rs. 596.35 Lacs as against Rs. 584.99 Lacs during the last financial year. This reflects an increase of 1.94 % i.e. Rs. 11.36 Lacs due to growth in the economy of USA and also marketing strategy adopted by Company. Profit earned from this segment amount to Rs. 247.47 Lacs as compared to that of Rs.184.43 Lacs during the previous Financial Year, which has resulted an increase of 34.18% i.e. Rs. 63.04 Lacs.

##### (2) Learning Solutions:

During this year revenue from this segment amounted to Rs.6251.23 Lacs against the last year revenue of Rs.6334.30 Lacs which shows a decrease in revenue by 1.31% i.e. Rs.83.07Lacs.

Learning Solution Segment mainly comprises ICT Phase I, ICT Phase II, ICT Phase III, ICT Bihar, CALP I, CALP II, Computer Aided Training Programme and other projects. The Company has total 8223 Government Schools and over 2 million learners under its educational Umbrella so far. These PPP projects could not have been success without the cooperation extended by Employees, Business Associates, Vendors and Government Officials. The Company has successfully completed the education projects, ICT Project Phase-I involving 2292 Government higher secondary schools in the month of April 2014. The Company has also successfully completed another education project ICT Phase-II involving 1550 Government Higher Secondary Schools in Feb. 2014, Apart from this the other projects that are running successfully are CALP-I project, worth Rs.10.68 Crores for imparting training in 836 Government schools of Rajasthan, CALP-II worth Rs.10.41 Crores covers 836 Government schools of Rajasthan most of these projects are in the form of IT infrastructure development at school levels.

The Company has been awarded one more Project, ICT Project Phase III worth Rs. 158.50 Crores, for 1373 Government Schools of Rajasthan. It has been commissioned in the month of Feb. 2014 and will be a five (5) years BOOT Project.

The Company has massive plans for capturing the advantage of Indian education expenditure planned through Government of India promoted PPP models across India fueled by Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and skill development initiatives. Company is also planning to leverage in-house software development and satellite based technology skills for expansion in school and coaching business.

##### (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. 202.78 Lacs as compared to Rs. 208.43 Lacs during the previous year ended on

March 31, 2013. Which shows a decrease in the revenue by 2.71% i.e. Rs. 5.65 Lacs due to lower generation of units.

**(4) Treasury Activities:**

The revenue generated from this segment during the Financial Year 2013-14 was Rs. 335.56 Lacs as against Rs. 219.87 Lacs during the last financial year. During the year, the revenue generated from treasury operations has increased by 52.62% i.e. Rs. 115.69 Lacs. During the year most of the funds were invested in FDRs, where returns are lower but safe in comparison to equity-oriented funds.

The following chart depicts revenue generated from operation for the year ended March 31, 2014:-



**Details 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\$ 9,76,721 during the financial year 2013-14 as compared to US\$ 7,02,823 in the previous financial year. This reflects an increase of approx 38.97% i.e. US\$ 2,73,898. The Company has declared loss of US\$ 14,280 as compared to the profit of US\$ 2,115 in the previous financial year. The Company is operating out of its own premises in Atlanta, USA. It is headed by Promoter Director Ajay Kumar Surana. 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.477.45 Lacs during the financial year 2013-14 as compared to Rs. 253.60 Lacs in the previous financial year which shows an increase of 88.26% i.e. Rs. 223.85 Lacs. The Company has declared loss of Rs. 80,99,674 as compared to the loss of Rs. 91,13,681 in the previous financial year. 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. The Company has two TV Channels one "JAN TV", Satellite TV channel and "JAN TV PLUS", an Infotainment Channel. Currently it is available on various cable networks across India and also available live on jantvplus.in

**Dividend**

Keeping 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 2013-14, subject to approval of the shareholders at the ensuing Annual General Meeting.

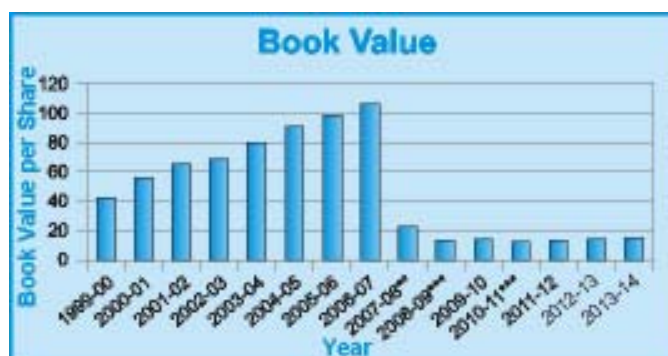
Financial Year	Dividend Rate
1999-00	20%
2000-01	25%
2001-02	10%
2002-03	25%
2003-04	25%
2004-05	25%
2005-06	30%
2006-07	30%
2007-08**	15%
2008-09***	10%
2009-10	10%
2010-11****	15%
2011-12	15%
2012-13	20%

Dividend declared & paid during last 14 (Fourteen) years:

**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
2013-14	79125188	2	14.74





\*\*Equity share of face value of Rs.10 each subdivided 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 17 (2AA) of the Companies Act, 1956, Directors state therein that:

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations and disclosures relating to material departures.
- The Directors have selected relevant accounting policies and applied them consistently and 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, 2014 and of the profit of the Company for the period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

### Fixed Deposits/Deposits from Public

During the financial year 2013-14, your Company has not accepted any fixed deposits nor renewed any deposit, falling within the definition of Section 73, 74 of the Companies Act, 2013.

### Listing of Shares

Your Company's shares are listed at Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange Limited and the listing fee for the year 2014-15 has been duly paid.

### Board of Directors/Key Managerial Personnel and Meetings of Board

Four (4) meetings of Board were held during this financial year.

### Appointments:-

Pursuant to the provisions of Section 149 and Rule 3 of Companies (Appointment and Qualification) Rules, 2014 Company has appointed a Woman Director, Dr. Anjila Saxena. Pursuant to section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anjila Saxena was also appointed as an Additional Director designated as an Independent Director w.e.f. August 1, 2014 and she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing her for appointment as an Independent Director. In terms of the Articles of Association of the Company, she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

### Re-appointments/ Retirements:-

Mr. Ajay Kumar Surana, being eligible for appointment, seeks re-appointment at the ensuing Annual General Meeting. An appropriate resolution for his re-appointment is being placed before you for your approval at the ensuing Annual General Meeting. The brief Resume of the aforesaid Director and other information has been detailed in the notice. Your Directors recommend his re-appointment as Directors of your Company.

Mr. Surendra Kumar Surana, being eligible for appointment, seeks re-appointment at ensuing Annual General Meeting. Appropriate resolution for his re-appointment is being placed before you for your approval at the ensuing Annual General Meeting. The brief Resume of the aforesaid Director and other information has been detailed in the notice. Your Directors recommend his re-appointment as Managing Director/Chief Executive Officer of your Company.

Mr. Ghisa Lal Chaudhary, who ceases at ensuing Annual General Meeting, does not seek re-appointment.

In view of the provisions of Companies Act, 2013, read with the provisions of the Listing Agreement, one half of the Directors on the Board of the Company are required to be independent Director. The Independent Directors are not being considered for the purpose of determining the directors liable to retire by rotation. Three of the existing directors, viz. Mr. Ramesh Chand Jain, Mr. Stephen Carl Viehman and Mr. Rajendra Prasad Udawat are independent Director. So far as per the above-referred three independent directors are concerned, at the ensuing Annual General Meeting of the company they would be appointed as the Independent Director of the Company for a term of one, two & two consecutive years respectively commencing from the April 1, 2014.

### Disclosures/Declarations

Company has also received the requisite disclosure/declaration from the entire Directors of Compucum Software Limited as per section 149(6), 164 (2) and 184(1) of Companies Act, 2013.

### Corporate Social Responsibility Committee

As required under Section 135 of companies Act, 2013 During the year, the Board of Directors has constituted the Corporate Social Responsibility(CSR) Committee for formulating and recommending to Board, a Corporate Social Responsibility policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time

### 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 reappointment, if made, would be within the prescribed limits under Section 139 of Companies Act, 2013 and that they are not disqualified for such re- appointment within the meaning of the Act. As per the new provisions of the Companies Act, 2013 they are being re-appointed for three years. The Board of Directors in its meeting held on August 1, 2014 has recommended the appointment of M/s S. Misra & Associates as Statutory Auditors of the Company at the ensuing Annual General Meeting..

There are no reservations, qualifications or adverse remarks contained in the auditor's Report attached to the balance sheet as at 31<sup>st</sup> March, 2014. Information referred in the Auditor's Report are self-explanatory and don't call for any further comments.

#### Cost Audit Report

Pursuant to the Companies (Cost Audit Report) Rules 2011, the Cost Audit Reports and the Compliance Report for the financial year 2012-13 were filed by the Cost Auditor for electricity on 28th September, 2013 on the Ministry of Corporate Affairs Web Site.

#### 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 which forms part of this report.

#### Secretarial Audit Report

As a measure of good corporate governance practice Company has obtained the Secretarial Compliance Report from M/s. V.M. & Associates for the financial year ended on 31<sup>st</sup> March, 2014 as annexed with the annual report.

In the line with the requirement of section 204 of the Companies Act, 2013 and as recommended by Audit Committee, the Board of Directors of the Company has appointed M/s. V.M. & Associates, Company Secretaries, to conduct secretarial audit on compliances of the Company for the financial year 2014-15.

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

Disclosure under Section 217(1) (e) of 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 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.

#### Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

The Company has transferred a sum of Rs. 1,66,405 (Rupees One Lac Sixty Six Thousand Four Hundred Five only) during the year to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205(C) the Companies Act, 1956. The said amount represents unclaimed dividend pertaining to financial year 2005-06 and 2006-07 (Interim) which was lying in unpaid dividend account of the Company for a period of seven years.

#### Human Resource Management

Your Company 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.

#### TRADE RELATIONS

The Company maintained healthy, cordial and harmonious Industrial relations at all levels. The Directors wish to place on record their appreciation for the valuable contribution by the employees of the Company.

#### Quality Assurance

Sustained commitment to the highest levels of quality, best in class service management and robust information security practices helped the Company attain the following milestone during the year.

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  
August 1, 2014

#### 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 involves 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. The 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 would 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 2013-14, the revenue derived from export activities was Rs. 354.12 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.3, 54, 12,646 /- (Previous year Rs. 2, 01, 25,922/-)

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

Other expenses incurred in foreign currency on manpower, administrative and marketing expenses Rs. 89,086/-(Previous year Rs.91, 095/-)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

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 445mn of the 1.3bn 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 device gap 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 for 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 coming 2-3 years under ICT project. We have implemented ICT and CALP programs in 8823 Government schools so far. Compucom aims to usher an era of anytime, anywhere learning to break down the barriers to education.

We believe Compucom would witness good growth, the seamless execution of which would require huge cash flow, 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. The order book of the Company in more than 150 Crores.

*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. Skill training focus of Government may also benefit your Company.

- (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 second year operation of its Satellite TV Channel "*JAN TV*" which is a vehicle of Educational, Financial, Social and Political change. This Channel offers News, Education, Employment, Skill Development, Agriculture, Tourism,



Healthcare, Religious, Sports, Entertainment and Current Affairs based programmes. The Channel is available on BSNL IPTV across North India channel number 174, Cable Network across Rajasthan and Bihar and across the globe through its portal [www.jantv.in](http://www.jantv.in). 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. Recently JAN TV got expanded with Government of Bihar also.

**(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/-

(Rs. in Lacs)

Particulars	31.03.2014	31.03.2013	Particulars	31.03.2014	31.03.2013
Profit & Loss Account	6632.66	5979.23	Gross Block	18718.98	14488.33
General Reserves	1519.03	1519.03	Accumulated depreciation	11396.88	9894.61
Securities Premium	1352.96	1352.97	<b>Net Fixed Assets</b>	7322.10	4593.73
Capital Reserve	209.21	209.22	Total Income/Net Block	1.01	1.60
<b>Total</b>	<b>9713.86</b>	<b>9060.45</b>	<b>Acc.Dep. as % of Gross Block</b>	<b>60.88</b>	<b>68.29</b>

**3. Investments:** The details of investment made by the company are as under: (Rs. in Lacs)

Particulars	31.03.2014	31.03.2013
Equity Investments in ITneer Inc.(100% subsidiary)	439.24	439.24
Equity Investments in CSL Infomedia Pvt Ltd.	455.00	455.00
Equity Shares	0.39	1.26
Investments in Mutual Funds	4.36	4.31
Other Investments	9.92	9.15
<b>Total</b>	<b>908.91</b>	<b>908.96</b>

**4. Non-Current & Current Liabilities:**

Long-Term Borrowings	2014.93	1650.04
Deferred Tax Liabilities (Net)	16.74	-
Other Long Term Liabilities	634.93	647.01
Long-Term Provisions	38.45	23.99
Short-Term Borrowings	1048.38	276.52
Trade Payables	581.78	173.59
Other Current Liabilities	2192.87	2611.50
Short-Term Provisions	1890.51	1817.11
<b>Total</b>	<b>8418.59</b>	<b>7199.77</b>

**5. Long Term Loans and Advances & Other Non-Current Assets:**

Long Term Loans and Advances	215.87	470.65
Other Non-Current Assets	902.10	902.08
Deferred Tax Assets (Net)	0.00	34.91
<b>Total</b>	<b>1117.97</b>	<b>1407.64</b>

**6. Current Assets:**

Trade Receivable	6052.87	6598.69
Cash and Bank Balances	3307.23	3633.46
Short Term Loans and Advances	1005.89	700.23
<b>Total</b>	<b>10365.99</b>	<b>10932.38</b>

Trade receivables are mainly related to Govt. Schools of Rajasthan. These debtors are considered good and are realizable.

**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.

Software & E-Governance Services - Overseas	354.12	201.26
Domestic	242.23	383.73
Learning Solution	6251.23	6334.30
Wind Power Generation	202.78	208.43
Other Income	335.56	219.87
<b>Total</b>	<b>7385.92</b>	<b>7347.59</b>

**A. Software Services:** Compared to last year this sector has witnessed an exponential growth. However Software & E-governance sector & business at domestic level has shown degrowth in the current fiscal 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:

	(Rs. in Lacs)	
Particulars	31.03.2014	31.03.2013
Revenue in Foreign Currency	354.12	201.26
Revenue Expenses in Foreign Currency	0.89	0.91
Capital Expenses in Foreign Currency		-
Net Exchange Earning	353.23	200.35

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

Particulars	31.03.2014	% of Total Revenue	31.03.2013	% of Total Revenue
<b>Total Revenue</b>	7385.92	100.00	7347.59	100.00
<b>Expenses</b>				
Manpower Expenses	350.67	4.75	256.36	3.49
Learning Solution Execution Charges	2473.96	33.50	1982.81	26.99
Administrative & Other Expenses	1143.98	15.49	1529.82	20.82
Finance Cost	337.28	4.57	440.47	5.99
Depreciation	1502.28	20.34	1843.40	25.09
<b>Profit Before Tax</b>	1577.75	21.36	1294.75	17.62
Provisions For Income Tax	554.04	7.50	425.73	5.79
<b>Profit After Tax</b>	1023.71	13.86	869.02	11.83

- (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 amounted to Rs. 311.32 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 CSL 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. It is headed by Promoter Director Ajay Kumar Surana.
- 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.

**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 502 permanent employees on its pay roll as on 31st March 2014.

**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

**Shubh Karan Surana**  
Director

Jaipur  
August 1, 2014

## Corporate Social Responsibility (CSR)

**“Your Company believes that Corporate Social Responsibility delivered in the context of its businesses makes it more effective, impactful, scalable and sustainable.”**

At Compucom Software Limited, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy. These activities focus on the following domains: sustainability reporting, water, providing education, eradicating extreme hunger and poverty and various types of community development. Your Company believes that Corporate Social Responsibility is not just a one-time event or contribution, but a way of life. Each day across all our centers, we fulfill our social responsibility towards our future generation by giving them proper education all across the country. In addition to this, we contribute towards society in the following manner:-

### **Constituted CSR Committee:**

Aligning with the guidelines of Companies Act, 2013, we have constituted a committee, Corporate Social Responsibility Committee for formulating and monitoring the CSR Policy of the Company.

### **Awareness in Environment:**

Promote 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. The Company has established RO water purifiers to provide safe drinking water. ISO audit check for the quality of services rendered. Your Company is contributing towards power generation through wind mills around the country to promote an eco-friendly measure to generate power.

### **Eradicating extreme hunger and poverty:**

Your Company has contributed to “HARE KRISHNA MOVEMENT AKSHAY PATRA” who helps in support to Mid-day meal program for under-privileged children studying in Government schools and also it helps in support to economic meal program for poor people.

### **Promotion the Education:**

During the year Company Contributes to welfare funds i.e. “CHIEF MINISTER RELIEF FUND, and others which is dedicated for the Education of students.

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. 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. 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'.

### **Empowerment of Women:**

Women contribute to the talent pool of the Company. We are usually hire's women talent. Our HR policies are not only aimed at hiring good employees, but also enabling them with skills which can take them to the next level of management. Also, our teacher training program continues to help thousands of women fulfill their dreams of becoming qualified teachers.



# CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-2014

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

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

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the companies. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through our Business Excellence Model, the 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 March 31, 2014:** The Board of the Company has an optimum combination of Executive and Non-Executive Independent Directors. Currently, there are seven Directors on the board of the Company. Independent Directors are professional with high credentials who actively contribute in the deliberation of Board covering strategic matters and decision making.

Details of the composition and the category of directors are stated below:

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. Ghisa Lal Chaudhary	Non-Executive & Independent Director	03602194
Mr. Rajendra Prasad Udawat	Non-Executive & Independent Director	00341110

(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	2	No
Mr. Surendra Kumar Surana	MD	4	4	Yes
Mr. Stephen Carl Viehman	NED : I	4	2	No
Mr. Ghisa Lal Chaudhary	NED : I	4	4	Yes
Mr. Ramesh Chand Jain	NED : I	4	4	Yes
Mr. Rajendra Prasad Udawat*	NED : I	4	2	Yes

NED: Non-Executive Director

MD: Managing Director

I: Independent Director

\* Appointed as an Additional Director w.e.f July 31, 2013 and regularized as Director in the Annual General Meeting held on September 19, 2013.

(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, 2014 are hereunder:**

Name of the Director	Number of other Company's Directorships	Number of other Committee Membership(s)	Number of other committees in which Chairperson
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
Mr. Ghisa Lal Chaudhary	Nil	Nil	Nil
Mr. Ramesh Chand Jain	Nil	Nil	Nil

\* Appointed as an Additional Director w.e.f. July 31, 2013 and regularized as Director in the Annual General Meeting held on September 19, 2013.

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, 2013 to March 31, 2014 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 27, 2013; July 31, 2013; November 11, 2013; February 11, 2014.

The necessary quorum was present for all the meetings.

- (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, 2014.
- (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.

3. **COMMITTEES OF THE BOARD:** Currently, the Board of the Company has four sub-committees namely Audit Committee, Remuneration Committee, Shareholders' Relationship /Investors' Grievance Committee and Corporate Social Responsibility 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.

**A). AUDIT COMMITTEE:**

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014) , the Board of Directors of the Company at their meeting held on May 27, 2014, have approved new terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49 (III) (C) of the Listing Agreement.

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

Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;.

- Recommending to the Board for appointment, Re-appointment and if required, the replacement or removal of the auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013(corresponding to section 217(2AA)of Companies Act, 1956).
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management. - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.

- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of 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;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism.
- Approval of appointment of CFO ( i.e. the whole time Finance Director or any other person heading the finance function or discharging that function ) after assessing the qualifications, experience and background, etc of the candidate;
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

**Review of Information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;

**(ii) Composition of the Audit Committee as on March 31, 2014:**

The Audit Committee of the Company consists of three Non-Executive Directors out of which two are Independent Directors. The Committee is headed by Mr Ghisa Lal Chaudhary Independent Director of the Company.

The table below sets out the composition of Audit Committee meetings as on March 31 2014:

Name of the Director	Category
Mr. Shubh Karan Surana	Non Independent and Non-Executive
Mr. Ghisa Lal Chaudhary	Independent, Non-Executive/Chairperson
Mr. Rajendra Prasad Udawat	Independent, Non-Executive

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

During the year, 4 (Four) meetings of Audit Committee were held on the following dates:

May 25, 2013; July 31, 2013; November 11, 2013 and February 11, 2014.

The table below sets out the attendance at the Audit committee meetings as on 31<sup>st</sup> March, 2014

Name of the Director	Number of Meetings during the year 2013-2014	
	Held	Attended
Mr. Shubh Karan Surana	4	4
Mr. Ghisa Lal Chaudhary	4	4
Mr. Ramesh Chand Jain *	4	3
Mr. Rajendra Prasad Udawat * **	4	1

\* Mr. Rajendra Prasad Udawat was appointed as a member in place of Mr. Ramesh Chand Jain w.e.f. January 06, 2014.

\*\* Appointed as an Additional Director w.e.f. July 31, 2013 and regularized as Director in the Annual General Meeting held on September 19, 2013.

The necessary quorum was present in all the Meetings.

- (iv) The Audit Committee Meetings are usually held at the corporate office of the Company situated at IT 14-15 EPIP RIICO Industrial Area, Sitapura Jaipur and are usually attended by the Manager – Finance/ CFO, Internal Auditor and representatives of the Statutory Auditors. The operations heads are invited to the Meetings as and when required. The Company Secretary acts as the Secretary to the Committee.

**B). Nomination and Remuneration Committee (formerly termed as Remuneration Committee):-**

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 27, 2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;
- any other works and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

**(i) Composition, name of the Members and Chairperson as on March 31, 2014:**

The Nomination and Remuneration Committee of the Board of Directors consists three Non-Executive Directors out of which two are Independent Directors. The Committee is headed by Mr. Ramesh Chand Jain Independent Director.

The table sets out the composition of the Committee:-

Name	Category
Mr. Ramesh Chand Jain	Independent Non- executive/ Chairperson
Mr. Shubh Karan Surana	Non-Independent, Non- executive
Mr. Ghisa Lal Chaudhary	Independent, Non- executive

**(ii) Attendance:**

Name	Category	No. of Meetings held during the year 2013-14	No. of Meetings attended during the year 2013-14
Mr. Ghisa Lal Chaudhary	Independent, Non- executive	-	Nil
Mr. Shubh Karan Surana	Non-Independent, Non- executive	-	Nil
Mr. Ramesh Chand Jain #	Independent Non- executive/ Chairperson	-	Nil
Mr. Stephen Carl Viehman #	Independent Non- executive/ Chairperson	-	Nil

# Mr. Ramesh Chand Jain was appointed as a member in place of Mr. Stephan Carl Viehman w.e.f. January 06, 2014.

**(iii) Remuneration Policy:-**

The Non-Executive Directors (NEDs) are paid remuneration by way of sitting fees for attending each Meetings of Board of Directors and Committees thereof, which are within the limits prescribed by the Central Government.

The remuneration to the Managing Director is decided on the basis of the following Broad criteria:

- Industry trend.
- Remuneration package in other comparable corporate.
- Job Responsibilities.
- Company performance and individual key performance areas.

- (iv) The details of remuneration & sitting fees paid to the Directors during the year ended on March 31, 2014 are as follows:

Name of the Director	Salary	Sitting Fee	Comm- ission	Stock Option	Service Contract	Notice Period	No of shares held
1 Mr. Shubh Karan Surana	N.A.	30,000	NIL	NIL	NIL	NIL	8,32,350
2 Mr. Ajay Kumar Surana	N.A.	6,000	NIL	NIL	NIL	NIL	4,75,500
3 Mr. Surendra Kumar Surana	9,72,000	N.A.	N.A.	N.A.	N.A.	N.A.	17,70,300
4 Mr. Stephen Carl Viehman	N.A.	9,000	NIL	NIL	NIL	NIL	2,10,000
5 Mr. Rajendra Prasad Udawat*	N.A.	9,000	NIL	NIL	NIL	NIL	NIL
6 Mr. Ghisa Lal Chaudhary	N.A.	27,000	NIL	NIL	NIL	NIL	NIL
7 Mr. Ramesh Chand Jain	N.A.	27,000	NIL	NIL	NIL	NIL	NIL

\* Appointed as an Additional Director w.e.f. July 31, 2013 and regularized as Director in the Annual General Meeting held on September 19, 2013.



- (v) Total remuneration paid to the Managing Director for the Financial Year 2013-14 is Rs. 9,72,000/-. No other perquisite was provided to the Managing Director.
- (vi) 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.
- (vii) The Company paid no other remuneration to Non-Executive Directors except sitting fees during the Financial Year 2013-14. The sitting fees paid to the Non-Executive Directors was Rs. 3,000/- for their attendance at every Meeting of the Board or Committee.
- (viii) Non-Executive Directors Shareholding (As on March 31, 2014)

Name of the Director	No. of Shares held	% of Paid up capital
Mr. Shubh Karan Surana	8,32,350	1.052
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.

**C). Stakeholders Relationship Committee (formerly termed as Shareholders' Investors' Grievance Committee:-**

In accordance with Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 27, 2014, have approved the change in nomenclature of the Shareholders Grievances Committee to Stakeholders Relationship Committee and enhanced their role. Therefore the said Committee shall in addition to the below role, also consider and resolve the grievances of debenture holders, deposit holders and other security holders of the Company.

The Committee deals with the following matters:-

- Noting transfer/transmission of shares.
- Review of dematerialized/rematerialized shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares/debentures.

(i) **Name and Designation of Compliance Officer:** The Company Secretary of the Company CS Swati Jain acts as the Secretary of the Committee.

(ii) **Details of Complaints received and resolved:**

Received during the year	Resolved during the year	Pending during the year
53	53	0

(iii) **Meetings and attendance during the year:**

During the year, 2 (Two) meetings of Stakeholders Relationship Committee were held on the following dates: July 31, 2013 and February 11, 2014 in which Mr. Ramesh Chand Jain was the Chairman.

Name	Category	No. of Meetings during the year 2013-14	No. of Meetings attended during the year 2013-14
Mr. Shubh Karan Surana	Non-Independent, Non- executive	2	2
Mr. Ghisa Lal Chaudhary	Independent, Non-executive	2	1
Mr. Ramesh Chand Jain	Independent, Non-executive	2	2
Mr. Stephan Carl Viehman*	Independent, Non-executive	2	1

\*Mr. Stephan Carl Viehman was appointed as a member in place of Ghisa Lal Chaudhary w.e.f. January 06, 2014.

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)

**D). Corporate Social Responsibility (CSR) Committee:**

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 27, 2014, have approved the constitution of the CSR Committee which comprises three directors viz. Mr. Ghisa Lal Chaudhary (Independent Director), Chairman; Mr. Shubh Karan Surana and Mr. Surendra Kumar Surana and defined the role of the Committee, which is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit.

#### 4. SUBSIDIARY COMPANIES:

In accordance with Clause 49(III) of the Listing Agreement with stock exchanges 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.

#### 5. GENERAL BODY MEETINGS:

Details of the previous three Annual General Meetings:

Year	Location	Date	Time	Special Resolution(s) Passed
2012-13	"Krishna Auditorium", Compucom Engineering College Compound, in front of Compucom Software Limited office, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).	September 19, 2013	11:30 A.M.	None
2011-12	"Krishna Auditorium", Compucom Engineering College Compound, in front of Compucom Software Limited office, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).	September 18, 2012	11:30 A.M.	None
2010-11	"Krishna Auditorium", Compucom Engineering College Compound, in front of Compucom Software Limited office, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).	September 9, 2011	12:15 P.M.	None

- (i) **Postal Ballot:** During 2013-14, 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:** No Extraordinary General Meeting of the Members was held during the Last three years.

#### 6. 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 non compliances/ strictures or penalties imposed on the company either by the SEBI or the Stock Exchange (s) or any other Statutory Authority for non-compliance of any matter related to Capital Markets
- (iii) **Compliance with Code of Conduct and Vigil Mechanism (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 without hesitation any violation or breach to the concerned superior & can make suggestion for further improvement also. The code provides that the Company shall support and protect employees for doing so.

The Company has established vigil mechanism in line with requirement given under Clause 49 of the Listing Agreement and section 177(9) of Companies Act, 2013 for employees to report concerns about unethical behavior. No personnel have been denied access to the Audit Committee.

#### (IV) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### (v) 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 Nomination and Remuneration Committee & Corporate Social Responsibility Committee, the details of which have already been made in this report.

- (vi) **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.
- (vii) **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.
- (viii) **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.

## 7. 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. Website address is [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.

## 8. GENERAL SHAREHOLDERS INFORMATION:

- (i) **Corporate Identification Number**  
Corporate Identification Number (CIN) of the Company allotted by the Ministry of Corporate Affairs, Government of India is L72200RJ1995PLC009798
- (ii) **Annual General Meeting Date, Time and Venue**  
Wednesday, August 27, 2014 at 11.30 A.M.  
"Krishna Auditorium", Compucom Engineering College Compound, in front of Compucom Software Limited Office, SP-5, EPIP, RIICO Industrial area, Sitapura Jaipur-302022 (Rajasthan).
- (iii)
  - a) **Financial Year:**  
April 1 to March 31
  - b) **Financial Calendar(Tentative):**  
    - Results for the 1st Quarter ending June 30th, 2014  
Last week of July, 2014
    - Results for the 2nd Quarter ending September 30th, 2014  
First week of November, 2014
    - Results for the 3rd Quarter ending December 31st, 2014  
First week of February, 2015
    - Results for the 4th Quarter ending March 31st, 2015  
Last week of May, 2015
- (iv) **Book Closure:**  
Monday, August 25, 2014 to Wednesday, August 27, 2014 (both days inclusive) during the Financial Year.
- (v) **Dividend Payment Date**  
Final dividend to be paid on or after August 27, 2014 subject to the approval of shareholders in the Annual General Meeting.
- (vi) **Listing on Stock Exchanges:**  
The shares of the Company are listed on Bombay Stock Exchange Limited (BSE), Mumbai, National Stock Exchange of India Limited (NSE), Mumbai, Calcutta Stock Exchange Limited(CSE), Kolkata  
The Annual Listing fee for Financial Year 2014-15 has been paid.  
BSE 532339  
NSE  
Symbol: COMPUSOFT  
Series: EQ
- (vii) **Stock Code/ Symbol**

**ISIN (International Securities Identification Number):**

INE453B01029

**(viii) Market Price data:**

Please see Annexure **No. I** of this report.

**High/Low during each month in last Financial Year**

**(ix) Share performance data:**

Please see Annexure **No. II** of this report

**High/Low during each month in last Financial Year**

**(x) Registrar & Share Transfer Agent**

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)

**(xi) 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. 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 files a copy of the certificate with the Stock Exchanges.

Annexure III Table I & II

**(xii) Distribution Schedule & Distribution of Shareholding Pattern**

**(xiii) Dematerialization of Shares and Liquidity**

97.63% of the paid-up capital is held in dematerialized form and are frequently traded.

**(xiv) 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)

**(xv) Registered Office**

IT 14-15, EPIP, Sitapura, Jaipur- 302022 (Rajasthan)

**(xvi) Unclaimed Dividend**

Pursuant to Section 124 of the Companies Act, 2013, 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.

**DETAILS OF UNCLAIMED DIVIDEND AS ON March 31, 2014**

Financial Year	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend (Rs.)	Due for transfer to IEPF on
2006-07 (Final)	11-Sep-2007	75,37,500.00	198476.50	October, 2014
2007-08(Interim)	4-Feb-2008	75,37,500.00	199113.50	March, 2015
2008-09 (Final)	18-Sep-2009	10,050,000.00	191243.00	October, 2016
2009-10(Interim)	21-May-2010	10,050,000.00	91274.00	June, 2017
2010-11(Final)	9-Sep-2011	23,737,556.40	176143.50	October, 2018
2011-12(Final)	18-Sep-2012	23,737,556.40	218740.80	October,2019
2012-13(Final)	19-Sep-2013	31,650,075.20	348877.20	October, 2020
<b>Total Unclaimed Amount</b>			<b>1423868.50</b>	

**9. 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.

**10. CEO/CFO CERTIFICATION:**

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

**Annexure I - Market Price Data – High/Low during each month in the year 2013-14:-**

BSE			NSE		
Month	Market Price (Rs.)		Month	Market Price (Rs.)	
	High	Low		High	Low
Apr-13	10.62	9.40	Apr-13	10.60	9.20
May-13	10.50	8.91	May-13	10.50	8.95
Jun-13	9.90	8.00	Jun-13	9.80	8.30
Jul-13	10.05	8.00	Jul-13	10.00	7.80
Aug-13	9.75	7.80	Aug-13	9.80	7.75
Sep-13	10.00	8.25	Sep-13	10.75	7.85
Oct-13	10.49	8.35	Oct-13	10.45	8.40
Nov-13	10.94	9.00	Nov-13	10.90	8.60
Dec-13	14.34	10.04	Dec-13	14.25	10.00
Jan-14	13.64	9.76	Jan-14	13.65	10.05
Feb-14	10.75	9.00	Feb-14	11.00	8.75
Mar-14	11.55	9.60	Mar-14	11.30	9.30

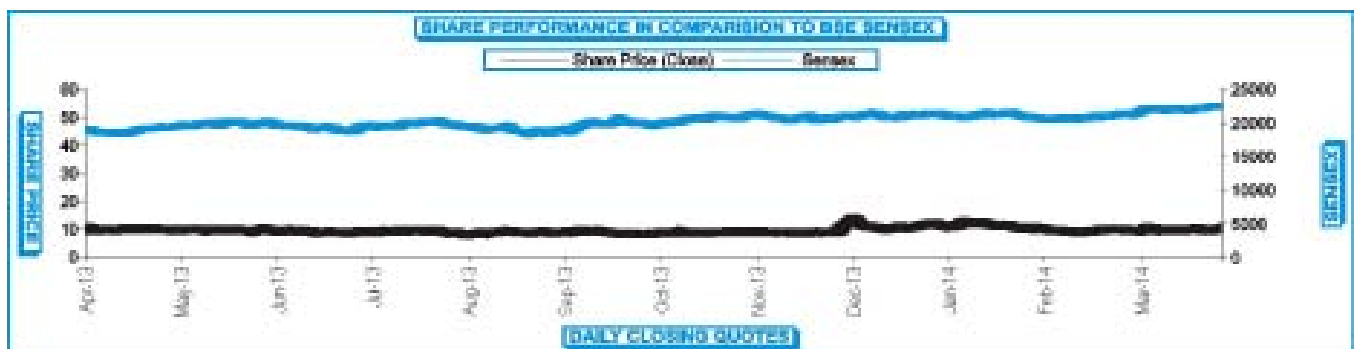
**Annexure II** Performance in comparison to broad based Indices as BSE SENSEX and NSE NIFTY.

The above chart depicts daily closing quotes on Bombay Stock Exchange for the year ended March 31, 2014 & National Stock Exchange.

**Figure 1**



**Figure 2**





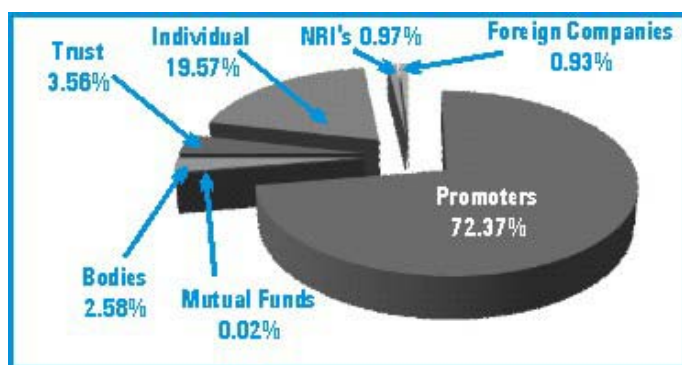
**Annexure III** The following table gives the distribution pattern of the shareholding of the Company:

**Table I- Distribution Schedule as on March 31, 2014**

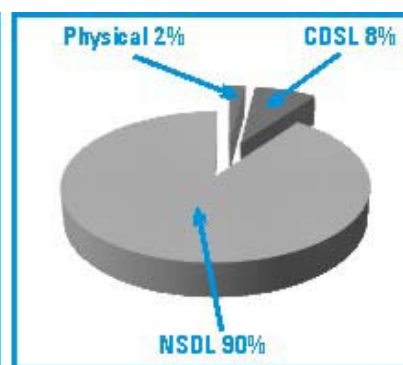
Range -No. of Shares	No. of Shares held	No. of Folios	% Shares	% Holders
Up to 500	1009545	4756	1.28	50.54
501-1000	1199331	1432	1.52	15.22
1001-2000	2615516	1707	3.31	18.14
2001-3000	1363917	497	1.72	5.28
3001-4000	679476	186	0.86	1.98
4001-5000	1007903	215	1.27	2.28
5001-10,000	2565080	351	3.24	3.73
10001-50,000	4550682	222	5.75	2.36
50,001-1,00,000	1538173	21	1.94	0.22
Above 1,00,000	62595565	23	79.11	0.24
<b>Total</b>	<b>79125188</b>	<b>9410</b>	<b>100.00</b>	<b>100.00</b>

**Table II- Shareholding pattern as on March 31, 2014**

Particulars	As on March 31, 2014	
	No. of shares	% of Total Shares
Promoters, their investment companies, People acting in concert	57262545	72.37
Mutual Funds/ Financial Institutions	14500	0.02
Bodies Corporate	2043638	2.58
Trust	2818579	3.56
Individual	15484009	19.57
Non Residential Individual	766917	0.97
Foreign Companies	735000	0.93
<b>Total Shareholding</b>	<b>79125188</b>	<b>100.00</b>



Share Holding Pattern as on March 31, 2014



Dematerialization of Shares

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective codes for the Financial Year ended March 31, 2014.

**For and on behalf of the Board**

**Surendra Kumar Surana**  
Managing Director & CEO

Jaipur  
August 1, 2014

**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, 2014 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  
May 27, 2014

**Vishnu Bargoti**  
Chief Financial Officer

## 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, 2014, 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.

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  
August 1, 2014

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 31<sup>st</sup> March, 2014, 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 16<sup>th</sup> September, 2013 to 19<sup>th</sup> September, 2013 (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 made due disclosures required under the Act.

Jaipur  
August 1, 2014

**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, 2014, 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, 2014;
- 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, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

Jaipur  
May 27, 2014

**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, 2014 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. 2,86,49,272/- (outstanding balance as at March 31, 2014 is Nil). The Company has 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. 7,96,34,180/- (outstanding balance as at March 31, 2014 Rs. Nil). 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, 2014 on account of disputes are given below :

Nature of dues	Period to which the amount relates	Forum where the Dispute is pending	Amount (Rs.)
Income Tax	A.Y. 2005-06	Hon'ble Income Tax Appellate Tribunal, Jaipur Bench.	Penalty- 8,50,287/-
Income Tax	A.Y. 2008-09	Commissioner of Income Tax (Appeals)	Penalty- 36,91,580/-
Income Tax	A.Y. 2011-12	Commissioner of Income Tax (Appeals)	Income Tax- 77,70,410/-
Entry Tax	A.Y. 2007-08, 2008-09 and 2009-10	Deputy Commissioner (Appeals)	Entry Tax- 34,28,931/- Penalty- 1,02,87,793/- Interest - 8,22,950/-
Service Tax	April 01, 2005 to March 31, 2010	Custom, Central Excise & Service Tax Appellate Tribunal, New Delhi	Service Tax - 2,24,71,199/- Penalty - 2,24,71,199/-
Service Tax	April 01, 2005 to March 31, 2009	Custom, Central Excise & Service Tax Appellate Tribunal, New Delhi	Service Tax - 2,69,10,407/- Penalty - 2,69,10,407/-

**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, 2014

## BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014	As at March 31, 2013
(in Rs.)			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	158,250,376	158,250,376
Reserves and Surplus	2	971,386,651	906,044,569
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	201,492,825	165,004,414
Deferred Tax Liabilities (Net)		1,674,573	-
Other Long Term Liabilities	4	63,493,049	64,700,749
Long-Term Provisions	5	3,845,025	2,398,786
<b>Current Liabilities</b>			
Short-Term Borrowings	6	104,838,201	27,651,637
Trade Payables		58,177,826	17,359,389
Other Current Liabilities	7	219,286,943	261,149,755
Short-Term Provisions	8	189,051,324	181,711,301
<b>TOTAL</b>		<b>1,971,496,795</b>	<b>1,784,270,974</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9	732,185,944	459,372,620
Intangible Assets	9	23,716	-
Non-Current Investments	10	90,891,053	90,896,436
Deferred Tax Assets (Net)		-	3,491,410
Long-Term Loans and Advances	11	21,587,442	47,064,712
Other Non-Current Assets	12	90,209,696	90,207,696
<b>Current Assets</b>			
Trade Receivables	13	605,286,517	659,868,970
Cash and Bank Balances	14	330,723,424	363,346,368
Short-Term Loans and Advances	15	100,589,003	70,022,762
<b>TOTAL</b>		<b>1,971,496,795</b>	<b>1,784,270,974</b>

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 21

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, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

		(in Rs.)	
	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue from Operations	16	705,036,604	712,772,244
Other Income	17	33,556,134	21,987,063
<b>TOTAL REVENUE</b>		<b>738,592,738</b>	<b>734,759,307</b>
Learning Solution Execution Expenses		247,396,131	198,280,844
Employee Benefits Expenses	18	35,067,281	25,635,927
Finance Costs	19	33,728,339	44,046,620
Other Expenses	20	114,398,071	152,981,554
Depreciation and Amortization Expenses		150,227,929	184,339,776
<b>TOTAL EXPENSES</b>		<b>580,817,751</b>	<b>605,284,721</b>
<b>Profit before Tax</b>		<b>157,774,988</b>	<b>129,474,586</b>
Tax Expenses:			
(1) For Current tax		47,837,500	55,488,472
(2) For Deferred tax		5,165,983	(13,703,974)
(3) For Earlier Years		2,400,417	788,154
<b>Profit (Loss) for the period from Continuing Operations</b>		<b>102,371,088</b>	<b>86,901,934</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>102,371,088</b>	<b>86,901,934</b>
Earnings Per Equity Share			
<b>(1) Basic</b>		<b>1.29</b>	<b>1.10</b>
<b>(2) Diluted</b>		<b>1.29</b>	<b>1.10</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

1 to 21

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, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(in Rs.)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
Profit Before Tax	157,774,988	129,474,586
Interest Income	(30,910,189)	(21,099,876)
Depreciation	150,227,929	184,339,776
Loss on Sale of assets	-	514,611
Profit on sale of assets	-	(145,189)
Provision for Gratuity	1,446,239	631,489
Provision for Diminution in value of Investments	(7,117)	19,613
Operating Profit before Working Capital Changes	278,531,849	293,735,010
Decrease/(Increase) in Trade Receivables (Current and Non Current)	54,582,453	45,132,003
Decrease/(Increase) in Loans and Advances (Current and Non Current)	(5,088,971)	(27,450,780)
Decrease/(Increase) in Other Current & Non Current Assets	(2,000)	-
Increase/(Decrease) in Current & Non Current Liabilities	65,580,988	82,231,194
Cash Generated from Operations	393,604,319	393,647,427
Income Tax Paid	(33,788,889)	(52,134,484)
<b>Net Cash Flow from Operations</b>	<b>359,815,430</b>	<b>341,512,943</b>
<b>Cash Flow from Investing Activities</b>		
Interest Income	30,910,189	21,099,876
Purchase of Fixed Assets	(423,064,969)	(237,221,676)
Sale of Fixed Assets	-	5,769,391
(Investment)/sale in Shares, Mutual funds and NSC	12,500	(11,875,000)
Increase / Decrease in unpaid dividend a/c & FDRs having maturity more than 3 months	21,749,602	(240,213,279)
<b>Net Cash flow From Investing</b>	<b>(370,392,677)</b>	<b>(462,440,688)</b>
<b>Cash Flows from Financing Activities</b>		
Increase in Paid up Share Capital	-	-
(Decrease)/Increase in Loan Funds	36,488,411	(24,651,790)
Dividend Paid (Including Dividend Tax)	(36,784,508)	(27,588,382)
<b>Net Cash Flow From Financing Activities</b>	<b>(296,097)</b>	<b>(52,240,172)</b>
Total Increase/(Decrease) in Cash and Cash Equivalents	(10,873,344)	(173,167,917)
Cash and Cash Equivalents at the beginning of the year	60,924,051	234,091,968
<b>Cash and Cash Equivalents at the end of the year</b>	<b>50,050,708</b>	<b>60,924,051</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, 2014

## 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, 2014</b>	<b>As at March 31, 2013</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, 2014</b>		<b>As at March 31, 2013</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. No.</b>	<b>Name of Shareholder</b>	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</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	15,818,301	19.99%	13,135,678	16.60%

**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, 2014</b>	<b>March 31, 2013</b>
Shares out of issued, subscribed and paid up share capital issued by way of bonus shares	50,250,188	50,250,188

- 1) 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.
- 2) 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.
- 3) The Company declares and pays dividends in Indian rupees. The Board of Directors, in their meeting on May 27, 2014, 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, 2014 amounted to Rs. 3.70 crore including corporate dividend tax of Rs. 0.54 crore.

**NOTE 2**
**(In Rs.)**

<b>Reserves &amp; Surplus</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>(a) Capital Reserves</b>		
Opening Balance	20,921,575	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>20,921,575</b>

	(In Rs.)	
	As at March 31, 2014	As at March 31, 2013
<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	151,903,450	141,903,450
Add: Transfer during Current Year	-	10,000,000
Less: Written Back during Current Year	-	-
<b>Closing Balance</b>	<b>151,903,450</b>	<b>151,903,450</b>
<b>(d) Surplus</b>		
Opening balance	597,923,020	557,805,594
Add: Net Profit/(Loss) for the year	102,371,088	86,901,934
Add: Transfer from Reserves	-	-
Less: Proposed Dividends	37,029,005	36,784,508
Less: Transfer to Reserves	-	10,000,000
<b>Closing Balance</b>	<b>663,265,102</b>	<b>597,923,020</b>
<b>Total (a+b+c+d)</b>	<b>971,386,651</b>	<b>906,044,569</b>
<b>NOTE 3</b>		
<b>Long Term Borrowings</b>		
<b>(a) Secured Loans</b>		
<b>Term loans</b>		
from banks	-	-
(Secured against hypothecation of vehicle financed)		
from other parties	201,492,825	108,946,746
(Secured against hypothecation of Equipment financed)		
<b>Total (A)</b>	<b>201,492,825</b>	<b>108,946,746</b>
<b>(b) Unsecured Loans</b>		
From related parties	-	56,057,668
<b>Total (B)</b>	<b>-</b>	<b>56,057,668</b>
<b>Total (A+B)</b>	<b>201,492,825</b>	<b>165,004,414</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	148,021,979	53,470,846
<b>NOTE 4</b>		
<b>Other Long Term Liabilities</b>		
EMD/ SD from Vendors	5,420,443	6,628,143
Greater Noida Export Promotion Industrial Park	369,239	369,239
Trade Payables	57,703,367	57,703,367
<b>Total</b>	<b>63,493,049</b>	<b>64,700,749</b>

	<b>(In Rs.)</b>	
	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>NOTE 5</b>		
<b>Long Term Provisions</b>		
<b>Provision for employees benefits</b>		
Gratuity	3,845,025	2,398,786
<b>Total</b>	<b>3,845,025</b>	<b>2,398,786</b>
<b>NOTE 6</b>		
<b>Short Term Borrowings</b>		
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
Overdraft from banks	58,589,974	19,946,720
(Secured By Land & Building situated at IT 14-15, Sitapura, Jaipur and secured by FDR)		
Current Accounts	46,248,227	7,704,917
<b>Total (a+b)</b>	<b>104,838,201</b>	<b>27,651,637</b>
<b>NOTE 7</b>		
<b>Other Current Liabilities</b>		
Current maturities of Long-Term debts	96,335,792	89,300,498
Interest accrued and due on borrowings	-	2,004,559
Income received in advance	111,819,026	161,124,726
Unpaid dividends	1,423,869	1,324,961
Interest accrued and but not due on borrowings	3,605,558	2,407,996
<b>Other payables</b>		
Provision for Expenses	643,378	1,058,923
Taxes Payable	5,459,322	3,928,091
<b>Total</b>	<b>219,286,943</b>	<b>261,149,755</b>
<b>NOTE 8</b>		
<b>Short Term Provisions</b>		
<b>(a) Provision for employees benefits</b>		
Salary & Allowances	4,835,081	2,328,383
<b>(b) Others</b>		
Proposed Dividend	31,650,075	31,650,075
Dividend Tax	5,378,930	5,134,433
Provision for Income Tax	32,437,500	15,988,472
Provision for Projects Execution Expense	114,749,738	126,609,938
<b>Total (a+b)</b>	<b>189,051,324</b>	<b>181,711,301</b>

**NOTE 9** **DEPERECIATION AS PER COMPANIES ACT, 1956 FOR THE PERIOD ENDED ON MARCH 31, 2014** (in Rs.)

FIXED ASSETS		GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2013	Additions	Disposals	Revaluations (Impairments)	As at March 31, 2014	As at April 1, 2013	Depreciation Charged for the year	Adjustments Due to Revaluations	On Disposals	As at March 31, 2014	As at April 1, 2013
A. TANGIBLE ASSET											
Land	12,909,255	-	-	-	12,909,255	-	-	-	-	12,909,255	12,909,255
Buildings	25,839,372	-	-	-	25,839,372	5,333,259	420,615	-	-	5,753,874	20,506,113
Assets under lease	5,505,132	-	-	-	5,505,132	1,094,088	89,734	-	-	1,183,822	4,411,044
Plant and Equipment	1,123,631,261	375,829,432	-	-	1,499,460,693	852,783,875	128,185,622	-	-	980,969,497	270,847,386
Furniture and Fixtures	87,493,192	37,186,137	-	-	124,679,329	46,989,216	12,862,198	-	-	59,851,414	40,503,976
Vehicles	7,713,388	-	-	-	7,713,388	3,465,368	732,772	-	-	4,198,140	4,248,020
Wind Power Plant	160,800,000	10,025,200	-	-	170,825,200	54,853,174	7,936,504	-	-	62,789,678	105,946,826
Total (A)	1,423,891,600	423,040,769	-	-	1,846,932,369	964,518,980	150,227,445	-	-	1,114,746,425	459,372,620
B. INTANGIBLE ASSET											
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	-
Hologram	-	24,200	-	-	24,200	-	484	-	-	484	23,716
Total (B)	24,941,666	24,200	-	-	24,965,866	24,941,666	484	-	-	24,942,150	23,716
GRAND TOTAL (A+B)	1,448,833,266	423,064,969	-	-	1,871,898,235	989,460,646	150,227,929	-	-	1,139,688,575	459,372,620

**Note 10** (in Rs.)

**Non-Current Investments**

	As at March 31, 2014	As at March 31, 2013
<b>Detail of Investment</b>		
<b>Trade Investments (Refer A below)</b>		
Investment in Equity instruments	261,813	351,813
Investments in Mutual Funds	600,000	600,000
<b>Total (a)</b>	<b>861,813</b>	<b>951,813</b>
<b>Other Investments (Refer B below)</b>		
Investment in Equity instruments	89,424,400	89,424,400
Investments in Government or Trust securities	992,000	914,500
<b>Total (b)</b>	<b>90,416,400</b>	<b>90,338,900</b>
<b>Grand Total (a + b)</b>	<b>91,278,213</b>	<b>91,290,713</b>
Less : Provision for diminution in the value of Investments	387,160	394,277
<b>TOTAL</b>	<b>90,891,053</b>	<b>90,896,436</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, 2014	As at March 31, 2013			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013		
(a)	Investment in Equity Instruments											
1	Rhodia Speciality 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	Autopal Industries Ltd.	Others	100	100	Quoted	Fully paid	Less Than 1%		2,151	2,151	Yes	
7	Jenson & Nicholson India Ltd.	Others	50	50	Quoted	Fully paid	Less Than 1%		2,172	2,172	Yes	
8	Atv Projects India Ltd	Others	1,700	1,700	Quoted	Fully paid	Less Than 1%		12,330	12,330	Yes	
9	Fedral Bank	Others	100	100	Quoted	Fully paid	Less Than 1%		3,476	3,476	Yes	
10	Lok Housing	Others	100	100	Quoted	Fully paid	Less Than 1%		19,180	19,180	Yes	
11	Uniworth International Ltd	Others	900	900	Quoted	Fully paid	Less Than 1%		8,865	8,865	Yes	
12	Dunlop India Ltd.	Others	100	100	Quoted	Fully paid	Less Than 1%		2,677	2,677	Yes	
13	Denso India	Others	100	100	Quoted	Fully paid	Less Than 1%		2,060	2,060	Yes	
14	Rpg Life Sciences	Others	50	50	Quoted	Fully paid	Less Than 1%		4,380	4,380	Yes	
15	Spice Mobile Ltd	Others	200	200	Quoted	Fully paid	Less Than 1%		1,220	1,220	Yes	
16	Oswal Agro Mills Ltd	Others	300	300	Quoted	Fully paid	Less Than 1%		2,325	2,325	Yes	
17	Alpine Industries Ltd.	Others	500	500	Un-Quoted	Fully paid	Less Than 1%		7,275	7,275	Yes	
18	Altos Ltd.	Others	400	400	Un-Quoted	Fully paid	Less Than 1%		11,969	11,969	Yes	
19	Amrut Ltd.	Others	1,000	1,000	Un-Quoted	Fully paid	Less Than 1%		15,200	15,200	Yes	
20	BPL Refrigerator	Others	300	300	Un-Quoted	Fully paid	Less Than 1%		4,025	4,025	Yes	
21	Bpl Sanyo Tech	Others	100	100	Un-Quoted	Fully paid	Less Than 1%		1,315	1,315	Yes	
22	Compulearn	Others	4,550	4,550	Un-Quoted	Fully paid	Less Than 1%		25,888	25,888	Yes	
23	CRB Caps	Others	100	100	Un-Quoted	Fully paid	Less Than 1%		3,283	3,283	Yes	
24	Data Lines & Research	Others	200	200	Un-Quoted	Fully paid	Less Than 1%		1,250	1,250	Yes	
25	Elbee	Others	200	200	Un-Quoted	Fully paid	Less Than 1%		9,595	9,595	Yes	
26	G.R.Market	Others	100	100	Un-Quoted	Fully paid	Less Than 1%		875	875	Yes	
27	Hind Develop	Others	1,500	1,500	Un-Quoted	Fully paid	Less Than 1%		20,682	20,682	Yes	
28	Hind Power Plus	Others	200	200	Un-Quoted	Fully paid	Less Than 1%		7,052	7,052	Yes	
29	lfb Venture	Others	100	100	Un-Quoted	Fully paid	Less Than 1%		415	415	Yes	
30	Iggi Resorts	Others	1,000	1,000	Un-Quoted	Fully paid	Less Than 1%		13,090	13,090	Yes	
31	Master Plus	Others	1,300	1,300	Un-Quoted	Fully paid	Less Than 1%		18,130	18,130	Yes	
32	Modi Xerox Ltd.	Others	100	100	Un-Quoted	Fully paid	Less Than 1%		4,836	4,836	Yes	
33	Orkay Ind.	Others	500	500	Un-Quoted	Fully paid	Less Than 1%		2,700	2,700	Yes	
34	Paam Pharma	Others	300	300	Un-Quoted	Fully paid	Less Than 1%		3,240	3,240	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, 2014	As at March 31, 2013			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013		
35	Palpeugaut	Others	500	500	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	3,525	3,525	Yes	
36	Pcl Ltd.	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	2,515	2,515	Yes	
37	Pru Cap Market	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	1,667	1,667	Yes	
38	Pansumi India	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	470	470	Yes	
39	Raj Trustee Co	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	10,000	10,000	Yes	
40	Sanghi Polyster	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	640	640	Yes	
41	South Shipping	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	5,505	5,505	Yes	
42	Standard Batt	Others	200	200	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	2,530	2,530	Yes	
43	Usha India	Others	400	400	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	4,560	4,560	Yes	
44	Wool Worth	Others	100	100	Un-Quoted	Fully paid	Less Than 1%	Less Than 1%	3,156	3,156	Yes	
									261,813	351,813		
(b)	Investments in Mutual Funds											
1	Baroda Pioneer Fund	Others	50,000	50,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	500,000	500,000	Yes	
2	Reliance Liquid Fund - T.P.	Others	71	65	Quoted	Fully Paid	Less Than 1%	Less Than 1%	100,000	100,000	Yes	
									600,000	600,000		
									861,813	951,813		

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, 2014	As at March 31, 2013			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013		
(a)	Investment in Equity Instruments											
	ITNeeer Inc.(USA)	Subsidiary	1,000,000	1,000,000	Unquoted	Fully paid	100%	100%	43,924,400	43,924,400	Yes	
	CSL Infomedia Pvt. Ltd.	Subsidiary	4,550,000	4,550,000	Unquoted	Fully paid	65%	65%	45,500,000	45,500,000	Yes	
(b)	Investments in Government or Trust securities											
	NSC in Post office	Others	-	-	-	-	-	-	992,000	914,500	Yes	
									90,416,400	90,338,900		

	(In Rs.)	
	As at March 31, 2014	As at March 31, 2013
<b>NOTE 11</b>		
<b>Long Term Loans and Advances</b>		
<b>(a) Security Deposits</b>		
Unsecured, considered good	9,085,393	10,229,893
<b>Total (a)</b>	9,085,393	10,229,893
<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	11,160,338	6,618,471
Advance Income Tax	1,341,711	1,791,776
<b>Total (c)</b>	12,502,049	8,410,247
<b>Total (a+b+c)</b>	<b>21,587,442</b>	<b>47,064,712</b>
<b>NOTE 12</b>		
<b>Other Non Current Assets</b>		
<b>Others</b>		
Unsecured, considered good		
- Transline business solutions	833,256	833,256
- CPS Tool Kit	1,685,309	1,685,309
- Trade Receivable	87,691,131	87,689,131
<b>Total</b>	<b>90,209,696</b>	<b>90,207,696</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)	205,888,926	323,552,562
Unsecured, considered doubtful		
	205,888,926	323,552,562
Trade receivables outstanding for a period exceeding six months:		
Secured, considered good		
Unsecured, considered good (net of credit balance)	399,397,591	336,316,408
Unsecured, considered doubtful		
	399,397,591	336,316,408
<b>Total</b>	<b>605,286,517</b>	<b>659,868,970</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	48,888,294	59,103,932
b. Cheques, drafts on hand	-	409,802
c. Cash on hand	1,162,414	1,410,317
<b>Total (a)</b>	50,050,708	60,924,051
<b>b. Other Bank balances</b>		
a. Unpaid dividend a/c	1,423,868	1,324,960
b. FDR's with Bank having maturity more than 3 months	279,248,848	301,097,358
<b>Total (b)</b>	280,672,716	302,422,318
<b>Total (a+b)</b>	<b>330,723,424</b>	<b>363,346,368</b>

	(In Rs.)	
	As at March 31, 2014	As at March 31, 2013
<b>NOTE 14A</b>		
A. Bank deposits with more than 12 months maturity from the date of Balance Sheet	78,430,858	16,488,260
B. Above stated cash and bank balances includes FDRs of Rs 10.64 Crore which are 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>a. Loans and advances to related parties</b>		
Unsecured, considered good	-	-
<b>Total (a)</b>	-	-
<b>b. Others (specify nature)</b>		
Unsecured, considered good		
For Supply of Goods and Services	3,081,882	5,868,702
Interest accrued but not due	3,417,068	2,528,397
Advance Income Tax	55,672,950	17,923,802
VAT Input	414,427	-
Prepaid Expenses	1,335,986	1,804,745
Accrued Income	35,507,382	40,485,452
Advances to Employees- Salary Advance	1,159,309	1,411,664
<b>Total (b)</b>	100,589,003	70,022,762
<b>Total (a+b)</b>	<b>100,589,003</b>	<b>70,022,762</b>
<b>NOTE 16</b>		
<b>Revenue From Operations</b>	<b>For the Year Ended on March 31, 2014</b>	<b>For the Year Ended on March 31, 2013</b>
Sale of products (Wind Power Generation)	20,278,027	20,843,512
Sale of services	684,758,577	691,928,732
<b>Total</b>	<b>705,036,604</b>	<b>712,772,244</b>
<b>NOTE 17</b>		
<b>Other Income</b>		
Interest Income	30,910,189	21,099,876
Profit on sale of Fixed Assets	-	145,189
Long Term Capital Gain	1,341,000	-
Other non-operating income	1,304,945	741,999
<b>Total</b>	<b>33,556,134</b>	<b>21,987,063</b>
<b>NOTE 18</b>		
<b>Employees Benefit Expenses</b>		
(a) Salary and Allowances	30,110,314	23,522,026
(b) Contributions to Provident fund and ESI	3,356,339	1,188,245
(c) Contributions to Gratuity fund	1,472,789	756,364
(d) Staff welfare Expenditures	127,839	169,292
<b>Total</b>	<b>35,067,281</b>	<b>25,635,927</b>
<b>NOTE 19</b>		
<b>Finance Costs</b>		
Interest Expense	32,182,400	36,236,381
B.G. Commission & Loan Processing Charges	1,545,939	7,810,239
<b>Total</b>	<b>33,728,339</b>	<b>44,046,620</b>

(In Rs.)

	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
<b>NOTE 20</b>		
<b>Other Expenditures</b>		
Advertisement and Publicity Expenditures	3,198,613	4,226,098
Auditor's Remuneration		
- Statutory Audit Fees	170,787	166,321
- Tax Audit Fees	42,697	35,955
Bad Debts Written off	74,264,706	96,855,238
Loss on Sale of assets	-	514,611
Communication Expenditures	934,958	765,973
Director Sitting Fees	121,350	122,125
Donations	1,247,000	5,125,000
Insurance Expenditures	2,112,557	2,287,217
Office & General Expenditures	3,380,981	3,646,712
Printing and Stationary	801,058	896,612
Rent and Facility Support	735,100	776,400
Mobile Bus Expenses	1,051,976	-
Corporate Social Responsibility Expenditures	-	859,251
Repair and Maintenance	2,020,213	2,670,621
Operation and Maintenance (Wind Power)	1,745,216	1,662,112
Vehicle Running and Maintenance	1,204,363	986,559
Traveling and Conveyance Expenditures	2,453,185	3,129,376
Water and Electricity Expenditures	2,185,254	1,975,509
Legal and Professional Expenditures	2,156,869	1,702,505
Interest on Taxes	44,965	323,890
Diminution in the value of investment	-7,117	19,613
Project Execution Expenditures (JVVNL)	7,365,502	24,233,856
Project Execution Expenditures (LDMS)	7,167,837	-
<b>Total</b>	<b>114,398,071</b>	<b>152,981,554</b>

**Note 21**

**Notes on Accounts**

**1. Contingent liabilities:**

- Bank Guarantees outstanding - Rs. 34,23,89,058/- (Previous year Rs. 33,46,50,003/-) Counter Guarantee given by the company of Rs. 34,23,89,058/- (Previous year Rs. 33,46,50,003/-)
- 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.
- 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 Hon'ble Income Tax Appellate Tribunal, Jaipur Bench.
- During the last 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).
- During the year, the company has received order under section 143(3) of Income Tax Act, 1961 for demand of Rs. 77,70,410/- for the A.Y. 2011-12. The company has gone into appeal against the said order before the Commissioner of Income Tax (Appeals). The same is still pending.
- 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).
- During the F.Y. 2013-14, the company has received a demand notice from The Commissioner, Central Excise, Jaipur for deposition of Service Tax liability of Rs. 2,69,10,407/- and penalty of Rs. 2,69,10,407/-. Against this order an appeal has been filed before, The Custom, Excise, Service Tax Appellate Tribunal, New Delhi. This is still pending.

**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. 89,086/- (Previous year Rs. 91,095/-).

FOB value of exports - Rs 3,54,12,646/- (Previous year Rs 2,01,25,922/-).

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	2013-14	2012-13
For the Financial Year 2011-12	-	3,20,175/-
For the Financial Year 2012-13	4,26,900/-	-
No. of Shares	10,67,250	10,67,250

**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. 3,87,160/- for current year has been made whereas provision of diminution in value of Non-current investments of Rs. 3,94,277/- 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:**

	2013-14	2012-13
A. Profit Attributable to equity shareholders (Rs.)	10,23,71,088/-	8,69,01,934/-
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]	1.29	1.10

**10. Deferred Taxes:**

Deferred Tax Liabilities:	As at 31.03.2014	As at 31.03.2013
Opening balance	Rs. (34,91,410/-)	Rs. 1,02,12,564 /-
Adjustment of Deferred Tax		
Charged to Statement of Profit & Loss	Rs. 51,65,983/-	(Rs. 1,37,03,974 /-)
<b>Net Deferred Tax Liabilities/(Assets)</b>	<b>Rs. 16,74,573/-</b>	<b>Rs. (34,91,410 /-)</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 1.4.2013	23,98,786
b. Current Service Cost	15,94,147
c. Interest Cost	2,15,891
d. Actuarial (Gain)/Loss	(3,37,249)
e. Benefits Paid	(26,550)
The defined benefit obligation as at 31.3.2014 is funded by the Company	38,45,025
<b>2. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>	
a. Fair Value of Plan Assets as at 1.4.2013	-
b. Expected return on Plan Assets	-
c. Actuarial Gain/(Loss)	-
d. Contributions	-
e. Benefits Paid	-
f. Fair Value of Plan Assets as at 31.3.2014	-
<b>3. Reconciliation of fair value of assets and obligations</b>	
a. Fair Value of Plan Assets as at 31.3.2014	-
b. Present Value of Obligation as at 31.3.2014	38,45,025
c. Amount recognised in the Balance Sheet	38,45,025



**4. Expense recognised during the year**

a. Current Service Cost	15,94,147
b. Interest Cost	2,15,891
c. Expected return on Plan Assets	-
d. Actuarial (Gain)/Loss	(3,37,249)
e. Past Service Cost	-
f. Losses/(gains) on curtailments and settlement	-
g. Expense recognised during the year	14,72,789

**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)	9.00%
b. Estimated Rate of return on Plan Assets (per annum)	-
c. Rate of Escalation in Salary (per annum)	7.00%

**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 Sold	0.00	0.00	0.00	14.31
Services Rendered	338.92	0.00	0.00	0.00
Services received	27.18	0.00	0.00	1.18
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	12.22	224.88
Rent incurred	0.00	0.00	0.78	1.79
Rent earned	1.97	0.00	2.21	1.17
Remuneration	0.00	0.00	11.04	0.00
Interest Paid/(Received)	-7.62	0.00	0.00	60.91
<b>Outstanding Balance as on 31.03.2014</b>				
-Receivables	83.75	0.00	0.00	0.00
-Payables	0.00	0.00	0.00	0.00

**13. Segment reporting:**

The Company has three reportable segments through its three undertakings,

Undertaking	A	B	C
Business	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	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
a) Revenue	596.35	584.99	6251.23	6,334.30	202.78	208.43	335.56	219.87	7385.92	7,347.59
b) Identifiable operating expenses	293.32	319.42	3483.85	3,036.69	17.71	16.62	-	-	3794.88	3,372.74
c) Allocated expenses	55.56	81.14	1823.71	2,453.09	91.08	100.84	-	-	1970.35	2,635.06
d) Segment operating income (a-b-c)	247.47	184.43	943.66	844.52	94.00	90.97	335.56	219.87	1620.69	1,339.79
e) Unallocable expenses	-	-	-	-	-	-	-	-	42.95	45.04
f) Profit before taxes (d-e)	-	-	-	-	-	-	-	-	1577.75	1,294.75
g) Income Taxes	-	-	-	-	-	-	-	-	554.04	425.73
h) Profit after Taxes (f-g)	-	-	-	-	-	-	-	-	1023.71	869.02

**(b) Secondary Segment Reporting on the basis of Geographical location of revenues earned**
**(Rs. in Lacs)**

Segment	USA		India		Total	
	13-14	12-13	13-14	12-13	13-14	12-13
Revenue	354.13	201.26	7031.8	7146.33	7385.92	7347.59
Identifiable Operating expenses	145.50	77.09	3649.38	3295.65	3794.88	3372.74
Allocated Expenses	27.78	25.74	1942.57	2609.32	1970.35	2635.06
Segment Operating Income	180.85	98.43	1439.84	1241.36	1620.69	1339.79
Unallocable expenses	-	-	-	-	42.95	45.04
Profit Before Taxes	-	-	-	-	1577.75	1,294.75
Income Taxes	-	-	-	-	554.04	425.73
Profit After Taxes	-	-	-	-	1023.71	869.02

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

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

Surendra Kumar Surana  
*Managing Director & CEO*

Shubh Karan Surana  
*Director*

CA Vishnu Bargoti  
*Chief Financial Officer*

CS Swati Jain  
*Company Secretary &  
Compliance Officer*

Jaipur  
May 27, 2014

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

**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, 2014
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\$ (14,280)
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 dealt with or provided for in the accounts of Holding Company	US\$ 115321
8. Material changes between end of Financial Year of the Subsidiary Company and the Company's Financial Year ended on March 31, 2014	
(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**
*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, 2014

**For and on the behalf of the Board**
**Information about Subsidiary Companies (Pursuant to Section 212 of the Companies Act, 1956)**

1. Name of Subsidiary	CSL Infomedia Private Limited
2. Financial Year of Subsidiary Company ended on	March 31, 2014
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.(5264788.10)/-
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. (5083299.30)/-
8. Material changes between end of Financial Year of the Subsidiary Company and the Company's Financial Year ended on March 31, 2014	
(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**
*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, 2014

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

## 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, 2014, 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- 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
- 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. 7,50,90,032/- as at March 31, 2014, total revenues of Rs. 5,44,47,313/- and net cash flows of (Rs. 86,01,628/-) 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, 2014

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	(Rs.)	
	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>		
<b>A. Shareholders' funds</b>		
(i) Share Capital	158,250,376	158,250,376
(ii) Reserves and Surplus	981,956,027	915,411,274
<b>B. Share application money pending allotment</b>	-	-
<b>C. Minority Interest</b>	19,059,764	21,894,650
<b>D. Non-Current Liabilities</b>		
(i) Long-Term Borrowings	201,492,825	165,004,414
(ii) Deferred Tax Liabilities (Net)	2,973,499	-
(iii) Other Long Term Liabilities	63,693,549	6,997,382
(iv) Long-Term Provisions	3,845,025	129,008,724
<b>E. Current Liabilities</b>		
(i) Short-Term Borrowings	116,939,931	27,651,637
(ii) Trade Payables	59,029,295	75,975,794
(iii) Other Current Liabilities	248,883,951	262,384,316
(iv) Short-Term Provisions	190,101,311	56,677,119
<b>TOTAL</b>	<b>2,046,225,555</b>	<b>1,819,255,685</b>
<b>ASSETS</b>		
<b>A. Non-Current Assets</b>		
(i) Fixed Assets		
(a) Tangible Assets	801,036,679	522,019,039
(b) Intangible Assets	1,281,093	1,557,377
(c) Capital Work-in-Progress	-	-
(d) Intangible Assets under Development	-	-
(ii) Non-Current Investments	15,013,796	2,815,613
(iii) Deferred Tax assets (net)	-	2,687,657
(iv) Long-Term Loans and Advances	21,826,735	18,858,531
(v) Other Non-Current Assets	90,209,696	90,213,200
<b>B. Current Assets</b>		
(i) Trade Receivables	645,695,414	674,736,920
(ii) Cash and Cash Equivalents	362,622,154	430,555,733
(iii) Short-Term Loans and Advances	108,539,988	75,811,615
<b>TOTAL</b>	<b>2,046,225,555</b>	<b>1,819,255,685</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, 2014



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

	(Rs.)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue from Operations	750,209,104	737,610,222
Other Income	37,778,684	28,725,776
<b>TOTAL REVENUE</b>	<b>787,987,788</b>	<b>766,335,998</b>
<b>Expenditures:</b>		
Employee Benefits Expenditures	53,897,727	42,597,590
Learning Solution Expenditures	246,831,320	198,280,844
Finance Costs	33,853,467	44,053,030
Depreciation and Amortization Expenditures	152,859,177	186,253,616
Other Expenditures	150,785,665	172,226,040
<b>TOTAL EXPENDITURES</b>	<b>638,227,354</b>	<b>643,411,120</b>
<b>Profit before Tax</b>	<b>149,760,434</b>	<b>122,924,878</b>
Tax Expenditures:		
(1) For Current tax	48,205,345	55,779,809
(2) For Deferred tax	5,487,845	(13,270,221)
(3) For Earlier Years	2,400,417	788,154
<b>Profit (Loss) for the period from Continuing Operations</b>	<b>93,666,827</b>	<b>79,627,137</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>93,666,827</b>	<b>79,627,137</b>
Earnings Per Equity Share		
<b>(1) Basic</b>	<b>1.18</b>	<b>1.01</b>
<b>(2) Diluted</b>	<b>1.18</b>	<b>1.01</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, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	(Rs.)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	149,374,448	121,137,542
Interest Income	(33,484,247)	(24,660,577)
Depreciation	153,467,631	186,572,553
Loss on Sale of assets	-	514,610
Profit on sale of assets	-	(145,191)
Provision for Gratuity	1,446,240	631,489
Provision for Diminution in value of Investments	(7,117)	19,613
Preliminary exp written off	5,504	5,504
Operating Profit before Working Capital Changes	270,802,459	284,075,543
Decrease/(Increase) in Trade Receivables	56,917,302	40,416,954
Decrease/(Increase) in Loans and Advances ( Current & Non Current)	(3,518,161)	(27,593,716)
Decrease/(Increase) in Other Current Assets	(31,297,037)	(13,056,119)
Increase/(Decrease) in Current Liabilities	94,945,936	115,228,794
Cash Generated from Operations	387,850,499	399,071,456
Income Tax Paid	(33,788,889)	(52,615,934)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>354,061,610</b>	<b>346,455,522</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	33,484,247	24,660,577
Purchase of Fixed Assets	(440,315,864)	(255,867,716)
Sale of Fixed Assets	-	5,769,391
Investment/ sale in Shares	12,500	(11,875,000)
Increase/Decrease in unpaid dividend account and FDRs having maturity more than 3 months	21,749,602	(240,213,279)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(385,069,515)</b>	<b>(477,526,027)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Paid up Share Capital	-	20,000,000
(Decrease)/Increase in Loan Funds	36,488,411	(24,651,790)
Dividend Paid (Including Dividend Tax)	(36,784,508)	(27,588,382)
Bank Overdraft	12,053,115	(8,034,066)
Loan From Related Parties	(28,424,572)	
Deposits Payable	(64,834)	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(16,732,388)</b>	<b>(40,274,238)</b>
Effect of change in exchange rate	1,556,315	279,817
Total Increase/(Decrease) in Cash and Cash Equivalents	(47,740,293)	(171,344,743)
Cash and Cash Equivalents at the beginning of the year	128,133,415	299,198,340
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>81,949,438</b>	<b>128,133,415</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, 2014

## Notes to the Consolidated Financial Statements

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

	2013-14	2012-13
ITneer Inc, USA	100%	100%
CSL Infomedia Pvt. Ltd.	65%	65%
- The Audited Financial Statements of ITneer, Inc. and CSL Infomedia Pvt. Ltd. are also annexed hereinafter this report.
- 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.
- 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, 2014. 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.
- 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	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
Revenue	1109.32	902.75	6251.23	6334.3	202.78	208.44	673.08	430.24	(356.53)	(212.36)	7879.89	7663.36
Identifiable Op. Exp.	837.00	647.78	3483.85	3036.69	17.71	16.62	386.95	265.27	(356.53)	(212.36)	4368.97	3754.00
Allocated Expenses	55.56	81.14	1823.71	2453.08	91.08	100.85	-	-	-	-	1970.35	2635.06
Segment Op. Income	216.75	173.83	943.66	844.53	94.00	90.97	286.13	164.97	-	-	1540.55	1274.29
Unallocable Expenses	-	-	-	-	-	-	-	-	-	-	42.95	45.04
Profit Before Taxes	-	-	-	-	-	-	-	-	-	-	1497.60	1229.25
Income Taxes	-	-	-	-	-	-	-	-	-	-	560.93	432.98
Net Profit after Tax	-	-	-	-	-	-	-	-	-	-	936.67	796.27

#### (b) Secondary Reporting Segment by Geographical Segment

(Rs. in lacs)

Segment	USA		India		Elimination		Total	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
Revenue	898.61	564.55	7320.20	7282.37	(338.92)	(183.56)	7879.89	7663.36
Identifiable Operating Expenses	720.69	450.97	3987.20	3486.59	(338.92)	(183.56)	4368.97	3754.00
Allocated Expenses	27.78	25.74	1942.57	2609.33	-	-	1970.35	2635.06
Segment Operating Income	150.14	87.84	1390.41	1186.45	-	-	1540.55	1274.29
Unallocable Expenses	-	-	-	-	-	-	42.95	45.04
Profit Before Taxes	-	-	-	-	-	-	1497.60	1229.25
Income Taxes	-	-	-	-	-	-	560.93	432.98
Net Profit after Tax	-	-	-	-	-	-	936.67	796.27

### For S. Misra & Associates

Chartered Accountants

FRN - 004972C

CA Sachindra Misra, Partner  
Membership No. - 073776

Surendra Kumar Surana  
Managing Director & CEO

Shubh Karan Surana  
Director

CA Vishnu Bargoti  
Chief Financial Officer

CS Swati Jain  
Company Secretary &  
Compliance Officer

Jaipur  
May 27, 2014

### For and on the behalf of the Board

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
ITneer, Inc.  
Buford, GA 30518

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, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ravi Ramaswamy, CPA  
Manmouth Junction, New Jersey  
May 11, 2014

### ITNEER, INC. BALANCE SHEET AS OF MARCH 31, 2014 ASSETS

		(Amount in \$)
Cash		110,653
Accounts Receivable	Note 4	100,296
Employee Advances	Note 3	311
<b>Total Current Assets</b>		<b>211,260</b>
Land		262,869
Building & Improvements (Net of Depreciation of \$ 108,699)	Note 6	537,347
Furniture & Equipment (Net of Depreciation of \$ 56,625)	Note 6	29,754
<b>Total Fixed Assets Net</b>		<b>829,970</b>
Investment - TCIS LLC	Note 7	32,614
Investment - E-Trade Bonds	Note 1	196,893
Security Deposits		3,271
<b>Total Other Assets</b>		<b>232,778</b>
<b>TOTAL ASSETS :</b>		<b>1,274,008</b>

### LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts Payable		151,848
Payroll Taxes Payable		302
Current Income Tax		2,811
Deferred Income Tax		13,821
Rental Deposit		4,185
<b>Total Current Liabilities :</b>		<b>172,967</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		101,041
Total Stockholder's Equity		1,101,041
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<b>1,274,008</b>

See Accountant's Report accompanying Notes.

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2014

		(Amount in \$)
<b>Income :</b>		
Income From Services		920,198
<b>Other Income</b>		
Investment : Portfolio		19,864
Un-realized gain/(loss) - Portfolio	Note 1	(22,909)
Investment : Rental		59,568
<b>Total Income</b>		<b>976,721</b>
<b>Expenses :</b>		
Sub Contracting		648,228
Salaries		178,017
Depreciation and Amortization		25,471
Travel Expense		22,349
Insurance		18,400
Fringes		14,398
Commission		15,000

Legal and Professional Fees	11,636
Real Estate Tax	11,148
Repairs and Maintenance	8,973
Utilities	8,791
Supplies	6,657
Telephone	4,224
Meals & Entertainment	4,529
Condo Dues	3,847
License and Permits	615
Security	559
Postage	554
Bank Charges	465
Internet Expense	403
Office Expenses - Atlanta	238
Dues & Subscriptions	120
Donation	100
Advertising and Promotion	38
<b>Total Expense</b>	<b>984,760</b>
Income before Taxes	(8,039)
Current	2,445
Deferred	3,796
<b>Net Income after Taxes</b>	<b>(14,280)</b>
<b>Retained Earnings, Beginning of Year</b>	<b>115,321</b>
<b>Retained Earnings, End of Year</b>	<b>101,041</b>

**Note 10**

See Accountant's Report accompanying Notes.

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>	(Amount in \$)
Net Income/(Loss)	(14,280)
Adjustments to Reconcile Income	
Current Year Depreciation	25,471
Changes in operating assets and liabilities	
Accounts Receivable	39,614
Prepaid Expenses and Taxes	5,290
Unrealized (gain)/loss on investments	22,909
Accounts Payable	26,270
Loan and Employee Receivable	3,742
<b>Net Cash provided by Operating Activities</b>	<b>109,016</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>	
Investment receivable	(7,428)
Bond Investment	(219,802)
Purchase of Assets	(28,210)
<b>Net Cash used from investing activities</b>	<b>(255,440)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>	
Deposit payables	(1,100)
Loan Payable	-0-
<b>Net Cash Used By Financing Activities</b>	<b>(1,100)</b>
Net (decrease) / Increase in cash	(147,524)
Cash / (overdraft) - beginning of year	258,177
Cash / (overdraft) - end of year	110,653
Income Taxes - Current	2,445

See Accountant's Report accompanying Notes.



# Notes to Financial Statements March 31, 2014

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, 2014 ITneer Inc. was not exposed to credit risk.

**Fair value measurements. :** ITneer has adopted ASC 820 and its applicable amendments. ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosure about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes how to measure fair value based on a three level hierarchy of inputs, of which the first two are considered observable and the last unobservable.

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2 : Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liability.

Level 3 : Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The adoption of this statement did not have a material impact on ITneer statements of income.

As of March 31, 2014 all investments were classified as Level 1 under ASC 820.

**Subsequent events :** ITneer Inc. evaluated its March 31, 2014 Financial Statements for subsequent events through May 11, 2014, 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, 2014 the balance of these was \$311.

Note 4.

## ACCOUNT RECEIVABLES

The Account receivable of \$100,296 is to be received from four 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	646,046	108,699	537,347	27/39/10 years
Furniture and Equipment	86,379	56,625	29,754	3/5/7 years
Total	995,295	165,324	829,970	

The Company provides straight line depreciation for the book purposes and recorded \$25,471 for the year ended March 31, 2014.

**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, 2013, the Company's share of profit from the investment was \$7,428 which was recorded as an increase to the Investment in TCIS as of March 31, 2014. 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. As of December 2013, the office condo has being vacant.

**Note 9. OUTSOURCING**

The total outsourcing costs of \$648,228 was recorded as of March 31, 2014 of which \$549,548 was from Compucom Software Limited, India (a Parent Company) and there was an outstanding amount of \$139,348 payable to Compucom Software Limited, India as of March 31, 2014.

**Note 10. RECOILATION OF FINANCIALS STATEMENTS TO TAX FORM 1120**

The following is a reconciliation of net income/(loss) per financials statement (GAAP) to income tax basis.

	(Amount in \$)
Net loss for company per financial statements	(14,280)
Add:	
Federal Income Tax	1,195
Travel & Entertainment 50%	2,264
Penalty	20
Deferred Income Tax	3,796
Unrealized Capital Loss	22,909
Less :	
Depreciation adjustment	(7,937)
<b>Net income as per income tax basis</b>	<b>7,967</b>

## 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, 2014, 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, 2014;
- b) in the case of the Statement of Profit and Loss, of the 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, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place: Jaipur  
Date: May 20, 2014

### **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, 2014 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. 2,86,49,272/- (outstanding balance as at March 31, 2014 was nil). 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 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 2013-14 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 of Rs. 58,66,060/- in the financial year 2013-14 and Rs. 75,35,118/- in the immediately preceding financial year.
- 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

Place: Jaipur  
 Date: May 20, 2014

## CSL INFOMEDIA PRIVATE LIMITED

### BALANCE SHEET AS AT MARCH 31, 2014

		(Rs.)	
	Note No.	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>A. Shareholders' funds</b>			
(i) Share Capital	1	70,000,000	70,000,000
(ii) Reserves and Surplus	2	(15,527,016)	(7,427,343)
(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)		1,298,926	803,753
(iii) Other Long Term Liabilities	4	200,500	-
<b>C. Current liabilities</b>			
(i) Short-Term Borrowings	5	12,101,730	-
(ii) Other Current Liabilities	6	28,313,817	938,443
(iii) Short-Term Provisions	7	1,049,987	905,693
<b>TOTAL</b>		<b>97,437,943</b>	<b>93,645,118</b>
<b>ASSETS</b>			
<b>A. Non-Current Assets</b>			
(i) Fixed Assets	8		
(a) Tangible Assets		19,932,303	19,175,482
(b) Intangible Assets		1,257,377	1,557,377
(ii) Non-Current Investments	9	20,000	20,000
(iii) Long-Term Loans and Advances	10	46,500	46,500
(iv) Other Non-Current Assets	11	-	-
<b>B. Current Assets</b>			
(i) Trade Receivables	12	42,872,266	13,533,624
(ii) Cash and Cash Equivalents	13	25,376,842	53,642,163
(iii) Short-Term Loans and Advances	14	7,932,655	5,664,467
(iv) Other Current Assets	15	-	5,504
<b>TOTAL</b>		<b>97,437,943</b>	<b>93,645,118</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 1 to 19**

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**  
Director

**Shubh Karan Surana**  
Director

**CS Aditi Maloo**  
Company Secretary

Jaipur  
May 20, 2014



**CSL INFOMEDIA PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED ON MARCH 31, 2014**

(In Rs.)

	<b>Note No.</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Revenue from Operations	<b>16</b>	45,138,365	21,720,140
Other Income		2,606,793	3,639,701
<b>TOTAL REVENUE</b>		<b>47,745,158</b>	<b>25,359,841</b>
Direct Expenses	<b>17</b>	35,303,276	18,562,559
Employee benefits Expense			
-Salary and Incentives		12,977,143	9,768,475
Finance costs		954,067	9,862
Depreciation and Amortization Expenses		1,738,441	911,250
Other expenses	<b>18</b>	4,376,732	4,554,064
<b>TOTAL EXPENSES</b>		<b>55,349,659</b>	<b>33,806,210</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(7,604,501)</b>	<b>(8,446,368)</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>(7,604,501)</b>	<b>(8,446,368)</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>(7,604,501)</b>	<b>(8,446,368)</b>
Tax Expenses:			
(1) Current tax		-	-
(2) Deferred tax		495,173	667,313
<b>Profit (Loss) for the period from continuing operations</b>		<b>(8,099,674)</b>	<b>(9,113,681)</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>(8,099,674)</b>	<b>(9,113,681)</b>
Earnings Per Equity Share			
(1) Basic		(1.16)	(1.82)
(2) Diluted		(1.16)	(1.82)

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 1 to 19**

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**  
Director

**Shubh Karan Surana**  
Director

**CS Aditi Maloo**  
Company Secretary

Jaipur  
May 20, 2014

**CSL INFOMEDIA PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(in Rs.)

	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	(7,604,501)	(8,446,368)
Interest Income	(2,574,058)	(3,560,701)
Preliminary Expenses written off	5,504	5,504
Depreciation	1,738,441	911,250
Operating Profit before Working Capital Changes	(8,434,614)	(11,090,315)
Decrease/(Increase) in Other Current & Non-Current Assets	(31,606,830)	(13,228,536)
Increase/(Decrease) in Current & Non-Current Liabilities	27,768,783	29,851,235
<b>Cash Generated from Operations</b>	<b>(12,272,661)</b>	<b>5,532,384</b>
Income Tax paid	-	(481,450)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(12,272,661)</b>	<b>5,050,934</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,195,262.00)	(18,051,174)
Purchase of Investment	-	-
Interest Income	2574058	3,560,701
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>378,796</b>	<b>(14,490,473)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	-	20,000,000
Dividend paid (including dividend tax)	-	-
Bank Overdraft	12,053,115	(8,034,066)
Loan From Related Parties	(28,424,572)	-
Repayment of Loan	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(16,371,457)</b>	<b>11,965,934</b>
Net Increase/(Decrease) in cash and cash equivalents	(28,265,321)	2,526,394
Cash and Cash Equivalents at the Beginning of the Year	53,642,163	51,115,769
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>25,376,842</b>	<b>53,642,163</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**  
Director

**Shubh Karan Surana**  
Director

**CS Aditi Maloo**  
Company Secretary

Jaipur  
May 20, 2014

## NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2014

### NOTE 1

(In Rs.)

SHARE CAPITAL	As at March 31, 2014	As at March 31, 2013
<b>Authorised</b>		
70,00,000 Equity Shares of Rs. 10 each (50,00,000 Equity Shares of Rs. 10 each)	70,000,000	70,000,000
<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	70,000,000
<b>Total</b>	<b>70,000,000</b>	<b>70,000,000</b>

### NOTE 1A

Reconciliation of shares	As at March 31, 2014		As at March 31, 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Shares outstanding at the beginning of the year</b>	7,000,000	70,000,000	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>7,000,000</b>	<b>70,000,000</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

Sr. No.	Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Compucom Software Limited	4,550,000	65.00%	4,550,000	65.00%
2	Sambhav Infotech Private Limited	2,440,000	34.86%	2,440,000	34.86%

- 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, 2014
- 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.)

Reserves & Surplus	As at March 31, 2014	As at March 31, 2013
<b>Surplus</b>		
Opening balance	-7,427,342	1,686,339
Net Profit/(Net Loss) For the current year	-8,099,674	-9,113,681
<b>Closing Balance</b>	<b>(15,527,016)</b>	<b>-7,427,342</b>

### NOTE 3

#### Long Term Borrowings

#### Unsecured Loans

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

### NOTE 4

#### Other Long Term Liabilities

Security Deposits	200,500	-
<b>Total</b>	<b>200,500</b>	<b>-</b>

(In Rs.)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 5</b>		
<b>Short Term Borrowings</b>		
<b>Unsecured</b>		
<b>Loans repayable on demand</b>		
From Banks		
Current A/c	48,615	-
O/D Account	12,053,115	-
<b>Total</b>	<b>12,101,730</b>	<b>-</b>
<b>NOTE 6</b>		
<b>Other Current Liabilities</b>		
Expenses Payable	87,314	297,883
TDS Payable	429,221	42,561
Creditors for Capital Goods	27,478	83,645
Creditors for Expenses	671,357	514,354
Service tax Payable	2,793,851	-
VAT Payable	948,588	-
Unearned Income	23,356,008	-
<b>Total</b>	<b>28,313,817</b>	<b>938,443</b>
<b>NOTE 7</b>		
<b>Short Term Provisions</b>		
<b>Provision for employee benefits:</b>		
Salary & Reimbursements	1,049,987	905,693
<b>Total</b>	<b>1,049,987</b>	<b>905,693</b>

**NOTE 8**
**DEPRECIATION AS PER COMPANIES ACT, 1956 FOR THE PERIOD ENDED ON MARCH 31, 2014**

FIXED ASSETS	GROSS BLOCK						ACCUMULATED DEPRECIATION					NET BLOCK		
	As at April 1, 2013	Additions	Disposals/ Transfer	Acquired through business combina- tions	Revaluat- ions/ (Impair- ments)	As at March 31, 2014	As at April 1, 2013	Deprecia- tion charged for the year	Adjust- ment due to revalu- ations	On Dispo- sals	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	
Tangible Assets														
Building	4,081,717	9,000	-			4,090,717	33,932	66,593	-	-	100,525	3,990,192	4,047,785	
Plant and Equipment	12,738,320	1,271,093	-	-	-	14,009,413	591,144	1,173,246	-	-	1,764,390	12,245,023	12,147,176	
Vehicles	281,015	-	-	-	-	281,015	27,061	26,696	-	-	53,757	227,258	253,954	
Office Equipment	2,566,323	852,140	-	-	-	3,418,463	63,846	155,711	-	-	219,557	3,198,906	2,502,477	
Furniture & Fixture	228,762	63,029	-			291,791	4,672	16,195	-	-	20,867	270,924	224,090	
Total	19,896,137	2,195,262		-	-	22,091,399	720,655	1,438,441	-	-	2,159,096	19,932,303	19,175,482	
Intangible Assets														
Licenses & Franchise Fees	2,000,000	-	-	-	-	2,000,000	442,623	300,000	-	-	742,623	1,257,377	1,557,377	
Total	2,000,000	-		-	-	2,000,000	442,623	300,000	-	-	742,623	1,257,377	1,557,377	
TOTAL	21,896,137	2,195,262	-	-	-	24,091,399	1,163,278	1,738,441	-	-	2,901,719	21,189,680	20,732,859	

**Note 9**

**Non-Current Investment**

(In Rs.)

Details of Investment	As at March 31, 2014	As at March 31, 2013
<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-14	As at 31-Mar-13			As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-14	As at 31-Mar-13		
(a)	Investments in Government or Trust securities											
	NSC in Post Office	Others	NA	NA	NA	NA	NA	NA	20,000	20,000	Yes	NA
	<b>Total</b>								<b>20,000</b>	<b>20,000</b>		

**NOTE 10**

(In Rs.)

**Long Term Loans and Advances**

	As at March 31, 2014	As at March 31, 2013
<b>Security Deposits</b>		
Unsecured, considered good	46,500	46,500
<b>Total</b>	<b>46,500</b>	<b>46,500</b>

**NOTE 11**

**Other Non Current Assets**

**Others**

Preliminary Exp. Not written off

<b>Total</b>	-	-
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**NOTE 12**

**Trade Receivables**

Trade receivables outstanding for a period less than six months

Trade receivables outstanding for a period exceeding six months

Total

Less: Advance receipts from debtors

<b>Total</b>	<b>42,872,266</b>	<b>13,533,624</b>
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**NOTE 13**

**Cash and Cash Equivalents**

a. Balances with banks

(i) In current Accounts

(ii) In Deposits Accounts

b. Cheques, drafts on hand

c. Cash on hand

<b>Total</b>	<b>25,376,842</b>	<b>53,642,163</b>
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	(In Rs.)	
	As at March 31, 2014	As at March 31, 2013
<b>NOTE 14</b>		
<b>Short-Term Loans and Advances</b>		
<b>Others</b>		
Unsecured, considered good		
For Supply of Goods and Services	256,646	517,425
Interest accrued but not due	587,206	2,138,919
Income Tax Refundable A.Y. 2013-14	765,240	-
Advance Income Tax	927,986	725,204
Service Tax Receivable	311,459	200,950
Prepaid Expenses	5,051,550	2,045,233
Advances to Employees- Salary Advance	32,568	36,736
<b>Total</b>	<b>7,932,655</b>	<b>5,664,467</b>
<b>NOTE 15</b>		
<b>Other current assets</b>		
Preliminary Expenses to be written off in next Reporting Year	-	5,504
<b>Total</b>	<b>-</b>	<b>5,504</b>
<b>NOTE 16</b>		(In Rs.)
<b>Revenue From Operations</b>	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
Advertisement Receipts	31,259,433	21,698,780
Income From Media Academy	-	21,360
Studio & Satellite Education Services	13,878,932	-
<b>Total</b>	<b>45,138,365</b>	<b>21,720,140</b>
<b>NOTE 17</b>		
<b>Direct Expenses</b>		
<b>Jan TV operational expenses</b>		
Band Placement Charges	-	1,625,806
Broadcasting Charges	19,710,299	12,889,747
Business Promotion Support	406,860	86,348
Data Content Charges	-	150,000
Internet Leaseline Charges	1,282,859	517,770
News Content Charges	355,400	412,300
News Coverage Exp. Bihar	261,890	33,740
News Coverage Expenses	1,397,650	1,027,438
Placement Execution Expenses	8,089,455	1,767,355
Recording & Dubbing Expenses	-	2,400
Jan TV Bihar Expenses	98,982	49,655
Advertisement Commission	220,030	-
Dish	3,479,851	-
<b>Total</b>	<b>35,303,276</b>	<b>18,562,559</b>



	(In Rs.)	
	For the Year Ended on March 31, 2014	For the Year Ended on March 31, 2013
<b>NOTE 18</b>		
<b>Other expenses</b>		
Auditor's Remuneration		
-For Company Law Matters	10,112	6,742
-For Taxation Matters	6,742	4,494
Advertisement	455,523	860,343
Legal & Professional Fees	68,785	263,093
Miscellaneous Expenses	293,651	3,152
Preliminary Expenses	5,504	5,504
Printing & Stationary	106,404	236,262
Power & Fuel	295,589	61,562
Rent	1,073,658	1,300,998
Telephone & Internet Charges	340,659	122,889
Discount A/c	351,237	360,180
Office Expenses	606,709	359,695
Travelling & Conveyance Expenses	271,703	178,072
Repair & Maintenance Expenses	258,151	457,939
Service Charges	-	136,292
Inauguration Charges	-	126,000
Patrakar Kalyan Kosh	197,433	20,642
Postage & Telegram	2,660	3,150
Insurance Expenses	31,823	37,602
Interest on Income Tax, Service Tax & TDS	389	9,453
<b>Total</b>	<b>4,376,732</b>	<b>4,554,064</b>

## Note 19

### 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 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.

##### 3. Fixed Assets:

- 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.
- 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 date on which assets come in to operation or put to use.

**B. 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, 2014	As at March 31, 2013
Opening Balance of Deferred Tax Liability	8,03,753/-	1,36,440/-
Deferred Tax Liability created during the year	4,95,173/-	6,67,313/-
Closing Balance of Deferred Tax Liability	12,98,926/-	8,03,753/-

**6. Related Party Disclosure:**
**A. List of Related Parties:**

- (a) Holding company
  - Compucom Software Ltd.
- (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:
  - Sambhav 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	0.00	0.00	0.00
Services Rendered	24.19	0.00	32.00
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	2.47
Rent Paid	2.21	0.00	6.93
Rent earned	0.00	0.00	0.00
Remuneration	0.00	0.00	0.00
Interest Paid	7.61	0.00	0.00
Outstanding Balance as on 31.03.2014			
-Receivables	0.00	0.00	0.00
-Payables	0.00	0.00	0.00

**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**  
Director

**Shubh Karan Surana**  
Director

**CS Aditi Maloo**  
Company Secretary

Jaipur  
May 20, 2014

## COMPUCOM SOFTWARE LIMITED

CIN:-L72200RJ1995PLC009798

Venue: **"KRISHNA AUDITORIUM"**, Compucom Engineering College Compound, in front of Compucom Software Limited office,  
SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur- 302 022 (Rajasthan)  
Twentieth Annual General Meeting on Wednesday, August 27, 2014

### 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 Twentieth Annual General Meeting being held on Wednesday, August 27, 2014 at **"KRISHNA AUDITORIUM"**, Compucom Engineering College Compound, in front of Compucom Software Limited office, 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

CIN:-L72200RJ1995PLC009798

Venue: **"KRISHNA AUDITORIUM"**, Compucom Engineering College Compound, in front of Compucom Software Limited office,  
SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur- 302 022 (Rajasthan)  
Twentieth Annual General Meeting on Wednesday, August 27, 2014

### 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 Wednesday, August 27, 2014 at 11.30 A.M. and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Name of Shareholder :

Registered Folio No. :

DP ID :

Client ID :

No. of Shares Held :

Revenue  
stamp  
of 1 Re

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.





OUR USA OFFICE



CSL PROMOTER DIRECTOR & ITNEER'S CEO -  
AJAY KUMAR SURANA AT USA OFFICE



WIND POWER



ICT@SCHOOL



CSL TEAM



CSL SOFTWARE DEVELOPMENT TEAM

## BOOK-POST



### INDIA LOCATIONS

#### Compucom Software Limited

**Regd. & Corporate Office :**

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Ph. : +91-141-5115908 (10 Lines),  
Fax : +91-141-2770335  
E-mail : investor@compucom.co.in

**Bihar Office :**

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PS Srikishnapuri, Patna  
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### OVERSEAS LOCATIONS

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