

The background of the entire page is a soft-focus photograph of green leaves and water droplets. In the upper left, there are branches with vibrant green leaves. The lower half of the image shows a close-up of water droplets falling into a pool, creating concentric ripples. The overall color palette is dominated by various shades of green and light blue/white from the water and sky.

COMPUCOM

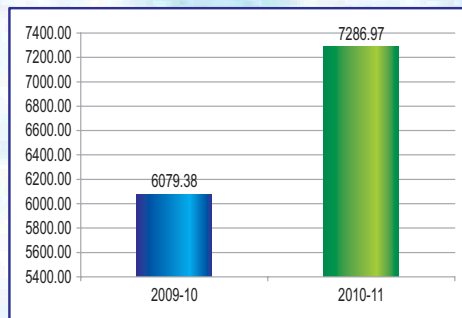
SOFTWARE LIMITED

*We make **IT** happen*

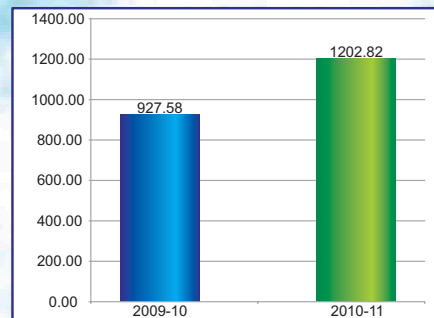
**17th Annual Report
2010-2011**

Progress at a Glance

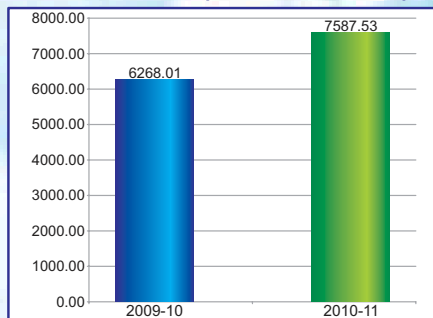
- More than 6082 Govt. Schools under ICT and IT services in Sarva Shiksha Abhiyan.
- More than two million learners covered across North India.
- Prominent player in E-Governance in North India.
- 12 Years Uninterrupted Dividend Payment and Profit making track record.
- 29 Pre-Schools operational and several in Pipe Line.
- Job Portal registered thousands and many blue collar workers got jobs.
- Venturing into Satellite Educational TV and Media.



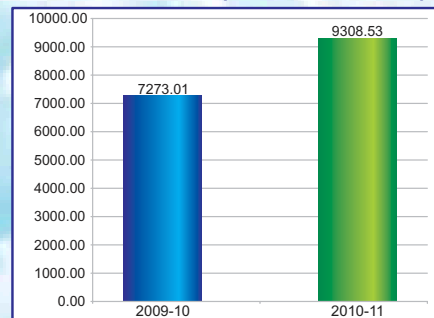
Total Income (Amount in Lacs)



Profit After Tax (Amount in Lacs)



Reserve and Surplus (Amount in Lacs)



Shareholders Fund (Amount in Lacs)



Table of Contents

	Page No.
➤ Corporate Information	2
➤ Letter to Shareholders	3
➤ Directors' Report	5
➤ Annexure 'A' to the Directors' Report	8
➤ Corporate Social Responsibility	10
➤ Green Initiative in Corporate Governance	10
➤ Corporate Governance Report	11
➤ Auditors' Certificate for Compliance of Corporate Governance	20
➤ Certificate of CEO and CFO of the Company	20
➤ Management Discussion and Analysis Report	21
➤ Auditors' Report	25
➤ Annexure to Auditors' Report	25
➤ Financial Statements	
◆ Balance Sheet	28
◆ Profit and Loss Account	29
◆ Cash Flow Statement	30
◆ Schedules forming part of Financial Statements	31
➤ Significant Accounting Policies	34
➤ Notes to Accounts	35
➤ Balance Sheet Abstract and Company's General Business Profile	38
➤ Subsidiary Companies Statement under Section 212 of the Companies Act, 1956	39
◆ Auditors' Report on Consolidated Financial Statements	40
◆ Consolidated Balance Sheet	41
◆ Consolidated Profit and Loss Account	42
◆ Consolidated Cash Flow Statement	43
◆ Notes to the Consolidated Financial Statements	44
◆ Financial Statements of US Subsidiary - ITneer Inc., USA	46
◆ Financial Statements of Indian Subsidiary - CSL Infomedia Pvt. Ltd., India	49
➤ Notice of Annual General Meeting	56
➤ Forms	
◆ Attendance Slip & Form of Proxy	59
◆ E-communication Registration Form	61

Corporate Information

Executive Director

Surendra Kumar Surana

Promoter Director, Managing Director & CEO

Non-Executive Non Independent Directors

Shubh Karan Surana

Promoter Director

Ajay Kumar Surana

**Promoter Director &
CEO- ITneer Inc., USA**

Non-Executive Independent Directors

Stephen Carl Viehman

R.P. Udawat

CA Rajeev Sogani

Dr. Anjila Saxena

G.L. Chaudhary (Additional Director w.e.f. August 9, 2011)

Company Secretary & Compliance Officer

CS Sulekha Jangid

Registered Office

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

Bankers

Bank of Baroda
ING Vysya Bank Limited
State Bank of Bikaner and Jaipur
Axis Bank Limited

Auditors

M/s S. Misra & Associates
Chartered Accountants
3-C, Third Floor, Tilak Bhawan, Tilak Marg,
C-Scheme, Jaipur (Rajasthan) - 302005, India

Corporate Advisors

V.M. & Associates
Company Secretaries
403, Royal World, Sansar Chand Road,
Jaipur (Rajasthan) - 302001, India

Registrar & Share Transfer Agent

MCS Limited
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi - 110020, India
Ph. : +91-11-41406149
Fax : +91-11-41709881
E-mail : admin@mcsdel.com

Subsidiary Company

ITneer Inc., USA
CSL Infomedia Pvt. Ltd., INDIA

Listed At

Bombay Stock Exchange Limited, Mumbai
Calcutta Stock Exchange Limited, Kolkata

Letter to Shareholders

Dear Shareholders,

FY 2010-11 was a year of excellent performance for your Company. Company strengthened its roots in its traditional business segments and managing the new ventures that have been started in the last few years with utmost care.

Education, E-Governance and Software services business were the main contributors in the Company Balance Sheet in the reported Financial Year.

In a snapshot of the financials, your Company has achieved better turnover and EBITDA in this Financial Year in comparison to the last year, which reflects the continuous growth and management vision.

The top line has shown growth of 19.86% over FY 2009-10 to Rs. 72.87 Crores, EBITDA has shown growth Rs. 41.49 Crores as against Rs. 32.67 Crores in 2009- 2010 depicting a growth of 27.01%.

Company has analysed that being a recession proof business, we will keep on putting more focus on education sector. Country's growth is driven by education dependent service sector. Company sees huge potential in its current educational operations, as well as scouting for synergetic opportunities and models to increase its foot print on Indian educational map.

Indian economy during the year has shown miscellaneous trends, where positivity is being shown through rising income levels, increased GDP and better budgetary allocations in the area of Company's operations, while there is negativism in terms of inflation, corruption and reduced Corporate Governance. Still the internal consumption of goods and services has kept the optimism about the Indian growth story, traces of which are present in the Company's Balance Sheet of the Financial Year.

Management keeps on tracking market trends and its effect on Company business. Company makes itself aligned to the changing dimensions of economy and market trends. It is in continuous search for new growth hinterlands and opportunities.

Your Company has secured an order from Rajasthan Council of Elementary Education, under *Sarva Shiksha Abhiyan* of Govt., for providing Computer Aided Learning Programme (CALP) on the basis of BOOT Model in 836 Govt. Schools of Rajasthan. The order value is worth Rs. 10.4 Crores (Approx.). With this order total number of Govt. Schools served by the Company has increased to 6082 spread across North India serving more than two million learners. The number signifies the prominent position of your Company in ICT Education segment.

Your Company established a prominent position in Pre-School market across North India, which is one of the fastest growing segments in education business. Company has been successful in commissioning 25 Pre-Schools and another 40 in pipeline, which are widely acceptable and affordable in rural, semi urban and urban areas.

Your Company which has been a Software Company traditionally but management has diversified its efforts in educational and other Non-IT sectors to hedge the risk associated with mid-size IT companies. The Balance Sheet has been a reflection of such diversification. E-Governance projects along with exports in software segment have contributed immensely towards growth of the Company. ERP and MIS have been established to cover all areas of the Company to ensure efficient practices and control over multiple points of operations.

During the year, the Company has enhanced its Digital Content library as per the syllabus of Pre-schools to Class 12th. This intellectual property complements various educational projects and management has plans to extend the content further.



Your Company has always been a follower of strong Corporate Governance principles. In all its operations, emphasis is made on ethical practices. Company has evolved close monitoring of all its business decisions and finances which ensure that the Company gets support from large to small stakeholders.

Your Company has rewarded its shareholders with decent bonus in the ratio of 1:2 during the current Financial Year and kept its unbroken track record of dividend payment since inception.

Management weighs the opportunities and risks before undertaking a project. Company takes cautious approach and practice the philosophy of shareholder wealth maximisation while taking measures to counter internal or external adversity.

In its future plans, your Company is working on establishing a satellite based education system which will enable the Company to bring teachers right at the disposal of students of rural and deprived sections. Company foresees a strong demand of such facilities which are unavailable to students in controlled cost.

As we are moving ahead, owing to more than 6000 schools with nearly two million learners under its umbrella, many synergistic opportunities are available hence diversification is natural which will encircle the education and software segments in form of retailing of educational accessories, publication, Brick and Mortar budgeted K12 Schools, e-tutoring, e-classes in private schools, customized software for educational setups.

Your Company has also identified tremendous business potential in establishing job exchange for blue collared workers. Company has successfully setup the project, which is available in limited capacity but will be scaled up soon. Management expects it to achieve commendable success considering vast Indian unemployed population and its synergetic network of associates to reach these workers.

As we are moving forward, management feels the need of increase in brand equity of the Company. Brand building of the Company products and services has been kept on priority agenda of coming years.

To keep itself internationally represented and work as foreign marketing arms, Company has 100% subsidiary, ITneer Inc., USA which establish a funnel for the offshore projects.

Your Company and its management feel that any growth story is not complete if its fruits are not reaching the needy and deprived segments. Company is well conscious of its social responsibilities and participates actively in social causes in form of cash and kind both.

Compucom Group's charitable arm "Compucom Foundation" runs an Engineering & Management college in close vicinity of CSL. It provides synergetic advantage in human resource for software and educational business. This institute, by virtue of being associated with top IT and Education Company, has gained a lot of popularity among students and parents.

I would like to put on record that all the projects in all the segments are running successfully. Management finds immense pleasure to manage a dynamic Company, which is not only getting projects but also executing them successfully.

Your Company has an excellent team with high potential whose hard work brings success in all the projects undertaken through their zeal and commitment.

I would like to acknowledge Board of Directors, shareholders, central & state govt. administrations, educational department, RIICO, employees, clients, vendors, stock exchanges and bankers who have helped the Company to maintain excellence and strive for growth.

"We Make IT Happen!" will remain our motto to bring positive developments in your Company.

With Warm Regards,

Surendra Kumar Surana
Managing Director & CEO

Jaipur, August 9, 2011

Directors' Report to the Members

Your Directors have immense pleasure in presenting their report on the business and operations of the Company for the year ended March 31, 2011.

Financial Highlights :

(Rs. in Lacs)

The highlights of your Company's financial results for the financial year April 1, 2010 to March 31, 2011 are as follows:

Particulars	31.03.2011	31.03.2010
Total Income	7,286.97	6079.38
Total Expenses	3,138.28	2812.87
Operating Profit (PBDIT)	4,148.69	3266.51
Interest	488.29	502.80
Depreciation	2,125.71	1645.54
Profit before Tax	1,534.69	1118.17
Provision for Income Tax including Deferred Tax	331.87	190.59
Net Profit after Tax	1,202.82	927.58
Appropriation		
Dividend	237.38	100.50
Dividend Tax	39.42	17.08
Transfer to General Reserve	100.00	100.00
Total Appropriations	376.80	217.58
Earning per Share: Basic and Diluted (in Rs.)		
Considering Extraordinary Items	1.56	1.23
Without Considering Extraordinary Items	1.56	1.23

Results of Operations : Total revenues earned during the year amounted to Rs. 7,286.97 Lacs compared to that of Rs. 6,079.38 Lacs in the previous Financial Year. The profit before tax has increased from Rs. 1,118.17 Lacs in the previous Financial Year to Rs. 1,534.69 Lacs in the current Financial Year. During the year under review, the income from operations was Rs. 7,102.49 Lacs compared to Rs. 5,943.16 Lacs in the previous Financial Year. This reflects an increase of Rs.1,159.33 Lacs, which is mainly due to the increase of income from learning solution business segment.

The profit before interest, depreciation and tax during this period is Rs. 4,148.69 Lacs as compared to the previous Financial Year PBIDT i.e. Rs. 3,266.51 Lacs.

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

Business Review :

(1) Software & E-Governance Services : During the year, the Company focused on domestic Software services and E-Governance opportunities, looking at the bleak scenario in USA. The revenue generated from the software segment during the Financial Year 2010-11 was Rs. 804.04 Lacs as against Rs. 985.24 Lacs during the last Financial Year. This reflect a decrease of 18.39 % i.e. Rs. 181.20 Lacs. Decline in the overseas business is due to slowdown in US Economy.

Profit earned from this segment amount to Rs. 358.52 Lacs as compared to that of Rs. 477.95 Lacs during the previous Financial Year, which has resulted a decrease of 25%. The ratio of the segmental profit to the segmental revenue has decreased by 3.92 % from 48.51% to 44.59% as compared to the previous Financial Year.

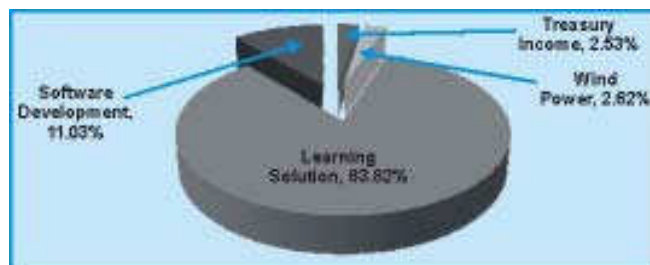
During the year end, JdVVNL has further extended their contract for providing and operating IT enabled call center services at Bikaner city for the next six months up to December 31, 2011 or till the finalization of the new tender. JdVVNL has recently issued LOI to the Company for "Providing Manpower for operation of Customer Care Centre under R-APDRP at Jodhpur" and agreement for the same has been signed with JdVVNL. This is a 3(Three) year project and total valuation of the project is approx. Rs. 3.02 Crores. Compucom is also executing the JVVNL order on BOOT basis of contract value of Rs. 11.38 Crores in Jaipur city and at Kota city value of Rs. 4.81 Crores. Under this contract your Company is providing the call center, fault rectification and CSC services, which are running successfully and widely appreciated.

(2) Learning Solutions : Company now has 6082 schools and 2 million learners under its educational umbrella. The Company is successfully implementing the two big educational projects, first is ICT Project by secondary education department, Govt. of Rajasthan for providing computer education on BOOT basis in 2292 schools of Rajasthan. The second project is an IT Project on BOOT basis in 568 Government schools of Delhi. Company has witnessed the successful implementation of the Computer Aided Learning Program (CALP) project for imparting training in 836 Govt. schools of Rajasthan worth Rs.10.68 Crores. We are pleased to inform you that during the year under review your Company has successfully implemented ICT-II project in 1550 Schools worth Rs. 77.77 Crores and CALP II project in 836 Schools worth Rs. 10.41 Crores. The Company has massive plans for capturing the advantage of Indian education expenditure planned through Govt. of India promoted PPP model across India fueled by SSA (*Sarva Shiksha Abhiyan*).

During the year under review revenue generated from learning solution business amounts to Rs. 6107.62 Lacs while the revenue generated in the previous Financial Year was Rs. 4761.16 Lacs, reflecting an increase of Rs. 1346.46 Lacs i.e. 28.28%. The increase is mainly due to execution of ICT II and CALP II projects of Govt. of Rajasthan. Profit earned from this segment has increased by 107.37 % to Rs. 927.47 Lacs in comparison to Rs. 447.25 Lacs in the previous Financial Year, which is mainly due to execution of high profit margin projects like new ICT/CALP II projects. In terms of ratio of segment profit to segment revenue it has increased to 15.19 %. Profit generated from this segment is 59.81% as compared to 38.69% of the previous Financial Year.

- (3) **Wind Power Generation :** The Company owns four wind power generation plants of 0.60 MW each, two at Jaisalmer and two at Sikar in Rajasthan. Company also owns a 0.8 MW Plant at Krishna (Andhra Pradesh). The Company has total installed Wind Power capacity of 3.2 MW. The operation and maintenance of the wind power project has been outsourced to Enercon India Ltd. The revenue generated from this segment amounted to Rs. 190.83 Lacs in the current year as compared to Rs. 196.76 Lacs during the previous year ended on March 31, 2010.

- (4) **Treasury Activities :** Treasury income includes capital gains, dividends from mutual funds and equity shares, interest on FDRs etc. During the year, the revenue generated from treasury operations has increased by Rs. 48.26 Lacs mainly due to increase in interest income on FDRs. During the year most of the funds were invested in FDRs, where returns were lower but safe in comparison to equity-oriented funds.



(5) **Subsidiary Companies :**

- (a) **ITneer Inc.** is a wholly owned subsidiary of Compucom Software Limited. It has earned total revenue of US\$ 4,28,492 during the Financial Year 2010-11. This reflects a decrease of approx. 27.36% as compared to the previous Financial Year. The Company has declared a net profit of US\$ 6,428 as compared to the loss of US\$ 15,848 in the previous Financial Year. The copy of the audited accounts together with the independent Auditors' Report is provided in a separate section of this Annual Report.
- (b) **CSL Infomedia Pvt. Ltd.** is another subsidiary of Compucom Software Limited. It has earned total revenue of Rs. 24.55 Lacs during the Financial Year 2010-11. The Company is mainly operating in Multimedia, Content Development and Educational TV Segment. The copy of the audited accounts together with the independent Auditors' Report is provided in a separate section of this Annual Report.

Employee Stock Options :

In 1999, the Company issued 1,00,000 Equity Shares of Rs. 10/- face value at par to Compucom Software Limited Employee Welfare Trust for the benefit of the employees and created a stock option plan. These shares have been irrevocably granted to the trust and are used for the benefit of the employees. As on March 31, 2011 the Trust has the ownership of 30,16,529 unutilized shares.

During the Financial Year 2010-11, the Company has not issued fresh stock options.

Directors' Responsibility Statement : Pursuant to Section 217 (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 relevant accounting policies are applied consistently and the directors' have made judgements 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, 2011 and of the profit of the Company for the period.
- Proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

Dividend : In view of the Company's profitable performance, your Directors are pleased to recommend, for approval of the Members at ensuing Annual General Meeting, a dividend @15% i.e. Rs. 0.30/- per equity share of Rs. 2/- each for the Financial Year 2010-2011.

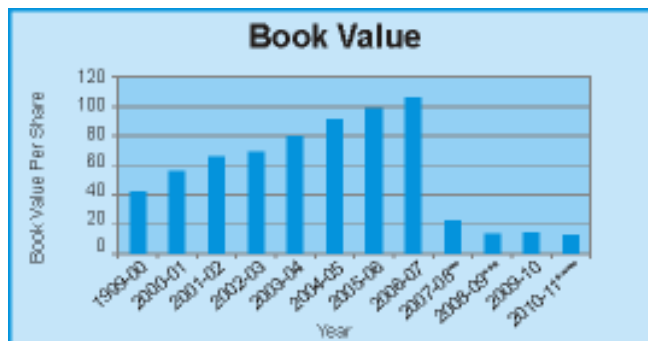
Dividend declared & paid during last 11 (Eleven) years

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



Book Value per Share : Details of book value during the last 12 (Twelve) years is as under:

Financial Year	No. of Shares	Face Value per share	Book Value Per share (in Rs.)
1999-00	5,000,000	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



**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.

Fixed Deposits : During the Financial Year 2010-11, your Company had not accepted any fixed deposits nor renewed any deposit, falling within the definition of Section 58 A of the Companies Act, 1956.

Awards : The Govt. of Rajasthan has communicated that Company has been selected for Excellence Award for Export Performance during the Financial Year 2008-09.

Board of Directors : In accordance with the provisions of Articles of Association of your Company, Mr. Ajay Kumar Surana and Mr. Rajeev Sogani, Directors of the Company retire by rotation. Mr. Ajay Kumar Surana being eligible offer himself for reappointment. The Board recommends the reappointment of Mr. Ajay Kumar Surana. Mr. G. L. Chaudhary was appointed as an Additional Director in the Board Meeting held on August 9, 2011, sought to be appointed as a Director of the Company. The Board recommends the appointment of Mr. G. L. Chaudhary as a Director of the Company.

Issue of Bonus Shares : During the Financial Year 2010-11, the Company had rewarded the shareholders by allotting bonus shares in the ratio of 1:2 and made an allotment of 2,51,25,188 bonus shares of Rs. 2/- (two) each, to the eligible shareholders of the Company in the Board Meeting held on October 21, 2010. The said Bonus issue was recommended by the Board on July 31, 2010 and approved by the shareholders in the Annual General Meeting held on September 18, 2010. Record date for the same was October 20, 2010.

Preferential Issue : During the Financial Year 2010-11, the Board issued 25,00,000 convertible warrants and 37,50,000 Equity Shares of Rs. 2/- each, at an exercise price of Rs. 25.36/- in the Board Meeting held on November 4, 2010 as per the

Special Resolution passed by the Company in its Extra Ordinary General Meeting held on October 25, 2010, to the following allottees:

S.No.	NAME OF ALLOTTEE	NO. OF EQUITY SHARES ALLOTTED	NO. OF CONVERTIBLE WARRANTS ALLOTTED
1.	Compucom Technologies Pvt. Ltd. (Promoter)	7,50,000	25,00,000
2.	Rukmani Sales Pvt. Ltd. (Non-Promoter)	30,00,000	-
	Total	37,50,000	25,00,000

In-Principle Approval for the same was received from Bombay Stock Exchange Ltd. on October 22, 2010. The above equity shares have been listed on BSE on April 11, 2011 & trading approval has been received on May 5, 2011.

Strategic Investment in Educational Broadcasting, T.V., Entertainment & Media Segments : The Company made strategic investment of Rs. 3.25 Crores in the form of equity shares at par in CSL Infomedia Pvt. Ltd., making it a subsidiary, to venture into Educational, Television, Entertainment and Media segments.

Auditors and Auditors' Report : M/s S. Misra & Associates, Chartered Accountants, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and confirmed their eligibility and willingness to accept the office, if reappointed. The Board of Directors in its meeting on August 9, 2011 has recommended the appointment of M/s S. Misra & Associates as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Auditors' Report is self-explanatory and does not call for further explanation.

Conservation Of Energy, Research & Development, Technology Absorption, Foreign Exchange Outgo : Disclosure under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure "A".

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

Human Resource Management and Employee Relation : Employees are vital assets of the Company. The Company has created a favorable work-environment that encourages innovation and nurturing of commercial and managerial talents in its operations. The Company also provides sharing of ownership of the Company through employee stock option scheme, wherein stock options are granted based on the cadre of the employees and the policy prevailing in the organization. The Company continues to have cordial relation with its employees.

Quality Assurance : Your 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.

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

Corporate Governance : As required under the Listing Agreement with the Stock Exchange, a report on Corporate Governance is given in a separate section in this Annual Report.

Acknowledgements : The directors sincerely appreciate the contributions made by all the employees, associates and business partners who have contributed towards the success of the Company. The directors are also thankful for the cooperation, support and assistance received from banks, investors, customers, central and state government departments, local authorities, vendors, strategic alliance partners, stock exchanges and all others associated with the activities of the Company.

For and on behalf of the Board

Surendra Kumar Surana
Managing Director & CEO

R.P. Udawat
Director

Jaipur, August 9, 2011

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, which includes :

- Incorporating new technologies in the air-conditioning systems to optimize power consumption.
- Identification and replacement of low-efficient machinery 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 maintenance personnel.

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

- (a) R & D initiative :** Education and software development are the main focus of the Company, Compucom lays emphasis on the research and development activities and is continuously improving its business by these activities. 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 and educational assignments, which involve lot of research work. Continual infusion of new technology need research activities during its absorption and usage. Company takes every measure to adopt newer methodologies in Software and E-Governance business. Continuous efforts are on to develop innovative products, portals, services involving latest technology such as biometrics, mobile telephony, school management systems, MIS etc.
- (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, Education 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. Due to advance focus in R & D, Company usually derives competitive edge during tendering processes.
- (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 and educational content development activities and is a continuous process.

(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 fiscal year 2010-11, the revenue derived from export activities was Rs. 282.13 Lacs. The Company focuses on export projects, which attract higher margins at lower risks. The Company has established marketing arrangement in the foreign countries vide its subsidiary and other marketing agreements.

- (b) Total Foreign Exchange Earnings :** The details of foreign exchange earnings and outgo are given in the notes on accounts.

FOB value exports: Rs. 2,82,13,301/- (Previous year Rs. 4,63,49,216/-)

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

Other expenses incurred in foreign currency on manpower, administrative & marketing expenses: Rs. 2,50,505/- (Previous year Rs. 1,13,59,665/-)

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is becoming a partner in the development of Society

Your Company believes and aims to be a responsible corporate citizen. It has always tried to contribute in the best possible manner in social sectors.

Compucom since its inception carried on the belief of creating wealth through business and utilize some part of it for deprived segment of the society.

CSR in Compucom means philanthropic work, management engagement and deploying the core competencies to address social problems. Company employees often volunteer in various social programmes under the Company banner. Some of the notable activities are environment awareness promotion, volunteer reduction in consumption of paper through programmes 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 Company's commitments in energy saving.

In other CSR activities Company took interest in educational causes, sports events, computer training at orphanages, organizing blood donation camps, donation to hospitals for blind and providing scholarship to needy students.

Company has been adopting children every year from SOS Village and sponsoring their education.

Renewable energy through windmill also adds to the CSR activity of Company as an eco-friendly gesture.

Company continues to support communities through charity and social investment in education, nutritional hygiene and disaster relief areas.

Your Company continues to operate five mobile computer labs equipped with state of art IT peripherals, established on high end buses, under project "JanGyan" to provide hands on computers to students of rural govt. schools across state of Rajasthan.

For Compucom, building a successful business and creating positive social impact are not separate objectives.

Community education and enhancing youth employability

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 community. Company is planning to take this concept to other geographies and will like to serve as a vehicle of national development.

Occupational Health and Safety

- Company has installed modern safety and security systems so that employees are well protected from any danger.
- Company employs competent personnel for managing Fire Extinguishers, Electrical supervisors and Security personnel to manage any occupational danger.
- Company has taken a group insurance policy (GPA) for its employees.
- Company has established RO water purifiers to provide safe drinking water.

Green Initiative in Corporate Governance: Go Paperless

August 9, 2011

Dear Shareholder,

The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their shareholders through electronic mode to the registered E-mail addresses of the shareholders.

It is a welcome move for the society at large as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

Advantage of Registering for E-Communication :

- ◆ Receive communication promptly.
- ◆ Reduce paper consumption and save trees.
- ◆ Eliminate wastage of paper.
- ◆ Avoid loss of document in postal transit.
- ◆ Save costs on paper and postage.

Shareholders holding Shares in Demat form :

Please **register your E-mail ID with your Depository Participant**, if not done so far, to receive all the communication through E-mail.

Henceforth our Company shall be using the E-mail ID registered with Depository Participants for service of documents from the Financial Year 2011-2012 onwards.

Shareholders holding Shares in Physical form:

Shareholders who intend to receive communication through E-mail are requested to send their consent by submitting duly filled "E-COMMUNICATION REGISTRATION FORM" attached at the end of this Annual Report and forward the same to below address(s) :

MCS Limited**Unit: Compucom Software Limited**

F-65, 1st Floor, Okhla Industrial Area, Phase-I
New Delhi -110020, India
Ph. : +91-11-41406149-52
E-mail : admin@mcsdel.com

OR**Compucom Software Limited**

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

However, in case if you **do not wish** to receive the documents electronically and prefer to receive the same in physical mode, please email us at investor@compucom.co.in or cs@compucom.co.in . Kindly quote your Name and Demat account particulars (DP ID, DP Name and Client ID) with the request.

This is also the right opportunity for shareholders to contribute to the Green Initiative of the Company as part of Corporate Social Responsibility.

Looking forward for your active support.

You can also download the attached registration form from our website : www.compucom.co.in .

Best Regards,

For Compucom Software Limited

CS Sulekha Jangid

Company Secretary & Compliance Officer

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-2011

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

At Compucom Software Limited, Corporate Governance has been an integral part of the way we have been doing business since inception. We believe that Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business. Your Company views Corporate Governance in its widest sense, almost like a trusteeship, a philosophy to be professed, a value to be imbibed and an ideology to be ingrained into the corporate culture.

Corporate Governance is not merely compliance and not simply a matter of creating checks and balances. It is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumer needs, shareholder benefit and employee growth, thereby delighting all its stakeholders while minimizing risks. Your Company believes that a Company needs to leverage resources to translate opportunities into reality and to infuse people with a vision, which sparks dynamism and entrepreneurship, creates a system of succession, which combines stability with flexibility and continuity with change. Accordingly, your Company has been consistently working towards exploring newer and better avenues for self development and personal growth of the individuals, who are core to the existence and sustainability of the organization, on the twin parameters of potential and performance. People continue to be our thrust for not only achieving the organic growth, but also to secure the dynamism and excellence of its management resource, that the organization takes pride in having nurtured in a focused and most pragmatic manner.

Above all, Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of ethical behaviour, propriety, equity, fair play and a sense of justice. Achieving this balance depends upon how accountable and transparent the Company is. Accountability improves decision making while transparency helps to explain the rationale behind decisions and thereby builds stakeholder confidence.

The Company places great emphasis on the values such as empowerment and integrity of the employees, safety of employees & communities, transparency in decision making process, fair and ethical dealing with all pollution free and clean environment and last but not the least, accountability to all the stakeholders.

The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to improve upon them and adopt the best practices. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Company will continue to focus on its resources, strengths and strategies to achieve its vision of becoming a truly global Software Company, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company. The Company's policy covers aspects such as ethical conduct, health, safety, environment, finance and commitment towards employees. Key aspects of Company's governance processes are:

- Disclosure, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the Company. It enables the Board to effectively discharge its responsibility towards the stakeholders of the Company.
- Identification and management of key risks.

As a part of the Compucom group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company's Corporate Governance philosophy has been further strengthened through the Compucom business excellence model, the Compucom code of conduct for prevention of insider trading, and the code of corporate disclosure practices. The Company has in place an information security policy that ensures proper utilization of IT resources. In terms of Clause 49 of the Listing Agreement, requisite particulars of Corporate Governance in the Company are furnished hereunder:

I. BOARD OF DIRECTORS :

- (a) Composition: The Company has 7 (Seven) Directors, out of which 1 (One) is Executive Director, 4 (Four) are Non-Executive Independent Directors and 2 (Two) are Non- Executive Non-Independent Directors. Thus, the composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges and exceeds by far the percentages prescribed in the said agreement.
- (b) 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, 2011.
- (c) 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.
- (d) 7(Seven) Board Meetings were held during the Financial Year from April 1, 2010 to March 31, 2011 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 10, 2010; July 31, 2010; September 9, 2010; October 10, 2010; October 21, 2010; November 4, 2010 and January 27, 2011.

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

Name of Director	Category	No. of Board Meetings During the year		Whether Last AGM attended	Whether Last EGM attended
		Held	Attended		
Mr. Shubh Karan Surana	NED	7	7	Yes	Yes
Mr. Ajay Kumar Surana	NED	7	4	No	No
Mr. Surendra Kumar Surana	MD	7	7	Yes	Yes
Mr. Stephen Carl Viehman	NED : I	7	2	No	No
Mr. R.P. Udawat	NED : I	7	7	Yes	Yes
CA Rajeev Sogani	NED : I	7	5	Yes	No
Dr. Anjila Saxena	NED : I	7	6	No	No

NED: Non-Executive Director

MD: Managing Director

I: Independent Director

- (f) **Number of Board or Board Committee of which a Director is a member or Chairman (Only the membership(s) of Audit Committee and Shareholders' Committee is considered as per Clause 49 of the Listing Agreement). Details as on March 31, 2011 are hereunder :**

Name of Director	Number of other Directorships	Number of other Committee Membership	Number of other committees in which chairperson/chairman
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. R.P. Udawat	Nil	Nil	Nil
CA Rajeev Sogani	Nil	Nil	Nil
Dr. Anjila Saxena	Nil	Nil	Nil

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

- (g) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- (h) 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.

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

1 Audit Committee :

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

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position as well as to ensure that sufficient and credible information is disclosed.
- Recommend the appointment and removal of external auditors, fixation of audit fees and to approve the payment for any other services.
- Discussion with Statutory Auditors before the audit commences on the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft Audit Report, including quarterly / half yearly financial information.
- Review of the annual financial statements with the management before submission to the Board, focusing primarily on:
 - ♦ Any changes in accounting policies and practices.
 - ♦ Major accounting entries based on exercise of judgement by management.
 - ♦ Qualifications in draft Audit Report.
 - ♦ Significant adjustments arising out of audit.
 - ♦ The going concern assumption.
 - ♦ Compliance with Accounting Standards.
 - ♦ Compliance with Stock Exchange and legal requirements concerning financial statements.
 - ♦ Any related party transactions as per Accounting Standard-18.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Review the adequacy of internal control systems with the management and external auditors.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal audit department on any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's whistle blower policy.

(b) Number of Meetings Held :

4 (Four) Audit Committee Meetings were held during the Financial Year from April 1, 2010 to March 31, 2011 on the following dates:

May 8, 2010; July 28, 2010; November 2, 2010 and January 24, 2011.

The necessary quorum was present in all the meetings.

(c) Composition, name of the members and chairman :

Name	Category	No. of Meetings during the year 2010-11	
		Held	Attended
CA Rajeev Sogani	Independent, Non-Executive	4	4
Mr. Shubh Karan Surana	Non Independent and Non-Executive	4	4
Mr. R.P. Udawat	Independent, Non-Executive	4	4

- (d)** The Audit Committee Meetings are usually held at the registered office of the Company and are usually attended by the Manager – Finance/ CFO and representatives of the Statutory Auditors. The operations heads are invited to the meetings, as and when required. CA Rajeev Sogani is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

2 Remuneration Committee :

The Remuneration Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock exchanges and as per the provisions of the Companies Act, 1956.

(a) The terms of reference of the Remuneration Committee are broadly as under :

- The function of the committee includes recommendation of remuneration, promotions, increments etc. for the Executive Directors to the Board for approval. The Committee is empowered: -
 - ♦ To recommend to the Board on the remuneration including payment of performance bonus to the Managing Director within the limits prescribed by the shareholders.
 - ♦ Such other matters as the Board may from time to time request the remuneration committee to examine and recommend /approve.
- The remuneration to the Managing Director is decided on the basis of the following broad criteria:
 - ♦ Industry trend.
 - ♦ Remuneration package in other comparable organizations.
 - ♦ Job Responsibilities.
 - ♦ Company performance and individual key performance areas.

(b) Number of Meetings held :

No meeting was held during the year 2010-11.

(c) Composition, name of the members and chairman :

As per the provisions of the Listing Agreement and Schedule XIII to the Companies Act, 1956, the Remuneration Committee comprised of 3(Three) Non-Executive Directors.

Name	Category	No. of Meetings held during the year 2010-11	No. of Meetings attended during the year 2010-11
Mr. Shubh Karan Surana	Non-Independent, Non- executive	Nil	Nil
Mr. R.P. Udawat	Independent, Non-executive	Nil	Nil
Dr. Anjila Saxena	Independent, Non-executive	Nil	Nil

Mr. R.P. Udawat is the Chairman of the Committee.

(d) The details of remuneration, sitting fees, granted to the directors during the year ended on March 31, 2011 are as follows :

S. No.	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.	39,000	N.A.	N.A.	N.A.	N.A.	8,11,800
2	Mr. Ajay Kumar Surana	N.A.	12,000	N.A.	N.A.	N.A.	N.A.	1,89,000
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.	6,000	N.A.	N.A.	N.A.	N.A.	2,10,000
5	Mr. R.P. Udawat	N.A.	33,000	N.A.	N.A.	N.A.	N.A.	N.A.
6	CA Rajeev Sogani	N.A.	33,000	N.A.	N.A.	N.A.	N.A.	N.A.
7	Dr. Anjila Saxena	N.A.	21,000	N.A.	N.A.	N.A.	N.A.	N.A.

(e) Total remuneration paid to the Managing Director for the Financial Year 2010-11 amounting to Rs. 9,72,000/-. No other perquisite was provided to the Managing Director.
(f) The contract for service, notice period, severance fees etc. are applied as per the rules of Company formed by the Board of Directors from time to time.
(g) The Company paid no other remuneration to Non-Executive Directors except sitting fees during the Financial Year 2010-11. The sitting fees paid to the Non-Executive Directors was Rs. 3,000/- for their attendance at every meeting of the Board or Committee.
(h) Non-Executive Directors Shareholding: (As on March 31, 2011)

Name of the Director	No. of Shares held	% of Paid up capital
Mr. Shubh Karan Surana	8,11,800	1.03
Mr. Ajay Kumar Surana	1,89,000	0.24
Mr. Stephen Carl Viehman	2,10,000	0.27

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

3 Investors' Relation Committee :

(a) The terms of reference of the Investors' Relation Committee are broadly as under :

The Company has constituted a Shareholders' / Investors' Relation Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares to Demat accounts, non-receipt of dividend / notices / annual reports, facilitation of better investor services etc.

The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and therefore an Investor Relation Department (IRD) was set up which focus on servicing the needs of investors, analysts, brokers and general public.

(b) Number of Meetings held :

There were 2 (Two) meetings of the Investors' Relation Committee held on July 28, 2010 and January 24, 2011.

(c) Composition, name of the members and chairman :

Name	Category	No. of Meetings held during the year 2010-11	No. of Meetings attended during the year 2010-11
Mr. Shubh Karan Surana	Non-Independent, Non- executive	2	2
CA Rajeev Sogani	Independent, Non-executive	2	2
Dr. Anjila Saxena	Independent, Non-executive	2	1

(d) Dr. Anjila Saxena is the Chairperson of Investor's Relation Committee. Company Secretary of the Company acts as the Secretary to the Committee.

(e) Details of complaints :

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	21	21	0

The investor grievances may also be sent on the E-mail : investor@compucum.co.in

III. SUBSIDIARY COMPANIES :

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

IV. DISCLOSURES :

(a) 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.

(b) 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.

(c) 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 the Board of Directors to ensure effective controls.

(d) Proceeds from Public Issues, Right Issues, Preferential Issues etc. :

The details pertaining to the utilization of the proceeds of the fresh issue of equity & convertible warrants under the preferential issue of the Company in the Financial Year 2010-2011 are specified herein below:

S.No.	Particulars	Fund Utilized (Rs.)
1	Investments in CSL Infomedia Pvt. Ltd.	32,500,000
2	Repayment of Term Loan	21,250,000
3	Capital Expenditure	32,400,000
4	General Corporate Purpose	8,950,000
	Total	95,100,000

(e) 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 transaction made by the management where they have personal interest that may have a potential conflict with the interest of the Company at large.

(f) Strictures or Penalties : During the last three years, there were no strictures or penalties imposed either by the SEBI or the Stock Exchanges or any other Statutory Authorities for non-compliance of any matter related to Capital Market.

- (g) **Compliance with Code of Conduct and Whistle Blower Mechanism :** The Company has laid down a Code of Conduct for all its employees across the organization. The Code of Conduct of the Company lays down that the employees shall promptly report and suggest without hesitating in reporting a violation or breach to the concerned superior. The code provides that the Company shall support and protect employees for doing so.

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

(h) **General Meetings :**

Details of the Annual General Meeting :

Number	Location	Date	Time	Special Resolution
14 th	IT 14-17, EPIP, RIICO Industrial Area, Sitapura , Jaipur (Rajasthan) - 302022. India	September 18, 2008	11:30 A.M.	No Special Resolution was passed in the meeting.
15 th	IT 14-17, EPIP, RIICO Industrial Area, Sitapura , Jaipur (Rajasthan) - 302022. India	September 18, 2009	11:30 A.M.	Special Resolution was passed in the Meeting for the reappointment of the Managing Director.
16 th	IT 14-15, EPIP, RIICO Industrial Area, Sitapura , Jaipur (Rajasthan) - 302022. India	September 18, 2010	11:30 A.M.	Ordinary Resolution was passed in the meeting for the approval of bonus issue in the ratio 1:2

- (i) **Extra Ordinary General Meeting :** During the Financial Year 2010-2011, 1(One) Extra Ordinary General Meeting was held on October 25, 2010 at 4.00 P.M. at the registered office of the Company and the following special business was transacted by special resolution:

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

- (j) **Postal Ballot :** In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the following Special Resolution was passed by Postal ballot on May 10, 2010:

1. Increase in Authorised Share Capital from Rs. 12 Crores to Rs. 20 Crores.
2. Alteration of main objects of the Company u/s 17 of the Companies Act, 1956 by amendment of existing Object clause and addition of new objects providing for carrying on the business of Hotel industry / Entertainment sector and matter connected therewith.
3. Authorizing the Board under Section 239(1) (a) & (d) to sell, lease and borrowings etc., respectively to the extent of Rs. 300 Crores.
4. Authorizing the Board of Directors to make / provide the investments, loans, guarantees, securities to the body corporate u/s 372A of the Companies Act, 1956 upto a limit of Rs. 150 Crores.

Postal Ballot notice along with the explanatory statement dated May 10, 2010 and Postal Ballot Forms and prepaid postage envelopes were dispatched to the shareholders on June 7, 2010. The last date of the receipt of duly filed in Postal Ballot Form was July 7, 2010.

The Company has appointed Mr. Manoj Maheshwari, Practising Company Secretary as a scrutinizer for processing and evaluating the Postal Ballot Form. Synopsis of Mr. Manoj Maheshwari report on July 9, 2010 has been reproduced here below:

S. No.	Particulars	For Special Resolution u/s 17 of the Companies Act, 1956	For Special Resolution u/s 372 A of the Companies Act, 1956
1	Total number of shares held by shareholders who voted	3,58,72,895	3,58,72,895
2	Total number of shares representing the invalid votes	NIL	NIL
3	Total number of shares held by shareholders who voted in favour	3,58,15,270	3,58,72,895
4	Total number of shares held by shareholders who voted in against	57,625	NIL
5	Total invalid votes	NIL	NIL
6	Total number of shareholders who exercised their votes	25	25
7	Total number of shareholders who voted in favour	21	25
8	Total number of shareholders who voted in against	1	NIL
9	% of Votes in favour	99.84%	100%

As the Votes cast in favour of the special resolutions were more, Mr. Surendra Kumar Surana, Managing Director of the Company on May 13, 2010 declared the said resolution as carried out.

(k) Means of Communication :

- 1 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. Newspapers in which results of the Company are normally published: (i) Business Standard, in English (National) (ii) Mahanagar Times, in Hindi (Vernacular), (iii) Nafa Nuksaan, in Hindi (Vernacular).
- 2 The Company's results and other Corporate Announcements are regularly sent to the Bombay Stock Exchange Limited, Mumbai and Calcutta Stock Exchange Limited, Kolkata.
- 3 The Company results and official news releases etc. are displayed on the Company's website. Website address is www.compucom.co.in.

(l) Code for Prevention of Insider Trading :

The Company has adopted a revised 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.

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

GENERAL SHAREHOLDERS INFORMATION :

- | | |
|---|--|
| (a) Annual General Meeting Date, Time and Venue | Friday, September 9, 2011 at 12.15 P.M.
"Krishna" Auditorium, Compucom Engineering College Compound, In Front of Compucom Software Limited Office, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) -302022, India |
| (b) Financial Year: | April, 2011 to March, 2012 |
| (c) Financial Calendar (Tentative) : | |
| Results for the 1st Quarter ending June 30, 2011 | Within 45 days of end of Quarter |
| Results for the 2nd Quarter ending September 30, 2011 | Within 45 days of end of Quarter |
| Results for the 3rd Quarter ending December 31, 2011 | Within 45 days of end of Quarter |
| Results for the 4th Quarter ending March 31, 2012 | Within 60 days of end of Year. |
| (d) Book Closure: | Thursday, September 8, 2011 to Friday, September 9, 2011 (both days inclusive) |
| (e) Dividend Payment Date | Final dividend to be paid on or after September 9, 2011 subject to the approval of shareholders in the Annual General Meeting. |
| (f) Listing on Stock Exchanges: | The shares of the Company are listed on Bombay Stock Exchange, Mumbai & Calcutta Stock Exchange, Kolkata. The Annual Listing fee for Financial Year 2011-12 has been paid. |
| (g) Stock Code/ Symbol ISIN (International Securities Identification Number): | BSE 532339
INE453B01029 |
| (h) Market Price & share performance data: High/Low during each month in last Financial Year | Please see Annexure No. I & II of this report. |
| (i) Share Transfer System | The Company has appointed a common Registrar for the physical share transfer and dematerialization of shares. The shares lodged for the physical transfer/ transmission/transposition are registered normally within a period of fortnight, if the documents are complete in all respects. For this purpose, the share transfer committee meets often as and when required. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchange and also files a copy of the certificate with the Stock Exchanges. |
| (j) Distribution Schedule & Distribution of Shareholding Pattern | Annexure III Table I & II |
| (k) Dematerialization of Shares and Liquidity | 92.17% of the paid-up capital is held in dematerialized form and are frequently traded. |

- (l) **Registered Office** IT 14-15, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) - 302022, India
- (m) **Address for Correspondence** The shareholders may address their communication/suggestions/grievances /queries related to Company shares to following address
The Company Secretary
Compucom Software Limited
IT 14-15, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) - 302022, India, Ph. : +91-141-5115908 (10 Lines), Fax : +91-141-2770335
E-mail : investor@compucom.co.in
- (n) **Registrar for dematerialization and physical transfer of shares** The Company has appointed a Registrar for dematerialization (Electronic Mode) and physical transfer of shares whose details are given below :
MCS Limited
Unit : Compucom Software Limited
F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020, India
Ph. : +91-11-41406149, Fax : +91-11-41709881
E-mail : admin@mcsdel.com
- (o) **Unclaimed Dividend**

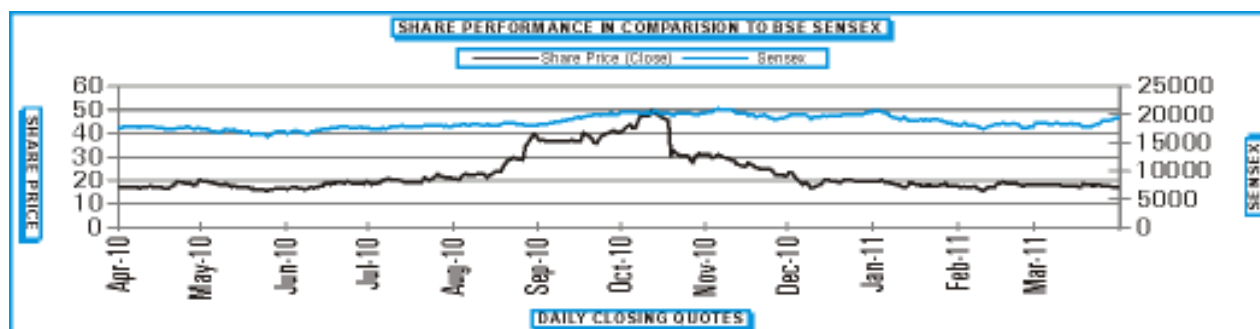
Pursuant to Section 205 A of the Companies Act, 1956, the dividend for following years, if unclaimed for 7(Seven) years, will be transferred by the Company to Investor Education and Protection Fund (IEPF) according to the schedule given below. Members, who have not claimed the dividend for these periods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

Financial year	Date of Declaration of Dividend	Total Dividend (Rs.)	Unclaimed Dividend (Rs.)	Due for transfer to IEPF on
2003-04 (Final)	September, 2004	50,25,000.00	62,085.00	October, 2011
2004-05 (Final)	September, 2005	1,25,62,500.00	1,95,600.00	October, 2012
2005-06 (Interim)	January, 2006	75,37,500.00	89,691.00	February, 2013
2005-06 (Final)	September, 2006	75,37,500.00	1,01,272.00	October, 2013
2006-07(Interim)	January, 2007	75,37,500.00	94,573.00	February, 2014
2006-07 (Final)	September, 2007	75,37,500.00	2,16,188.50	October, 2014
2007-08(Interim)	February, 2008	75,37,500.00	2,19,321.50	March, 2015
2008-09 (Final)	September, 2009	1,00,50,000.00	1,92,953.00	October, 2016
2009-10(Interim)	May, 2010	1,00,50,000.00	92,784.00	June, 2017
TOTAL UNPAID AMOUNT			12,64,468.00	

Annexure I - Market Price Data – High/Low during each month in the year 2010-11

Month	Market Price (Rs.)		Month	Market Price (Rs.)	
	High	Low		High	Low
April-10	21.40	16.35	October-10*	51.30 (Cum Bonus)	27.10 (Ex Bonus)
May-10	20.80	15.35	November-10	33.10	19.35
June-10	20.50	15.90	December-10	24.40	15.25
July-10	26.00	18.20	January-11	20.40	15.95
August-10	41.20	20.00	February-11	20.70	15.20
September-10	44.40	32.50	March-11	18.90	16.50

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



Annexure II Performance in comparison to broad based Indices as BSE SENSEX.

The above chart depicts daily closing quotes on Bombay Stock Exchange for the year ended March 31, 2011

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

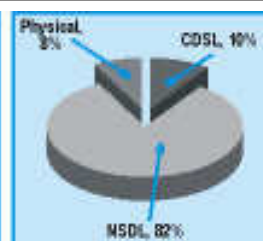
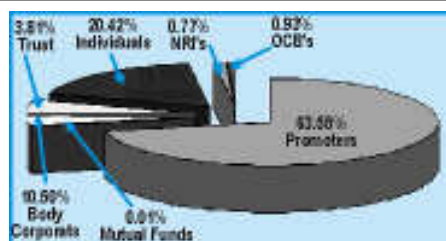
Table I- Distribution Schedule as on March 31, 2011

Range-No. of Shares	No. of Shares held	No. of Folios	% Shares	% Holders
Up to 500	7,37,955	3,575	0.93	45.97
501-1,000	8,93,106	1,120	1.13	14.40
1,001-2,000	25,34,476	1,684	3.20	21.65
2,001-3,000	13,53,793	490	1.71	6.30
3,001-4,000	5,09,550	141	0.64	1.81
4,001-5,000	8,03,429	174	1.02	2.24
5,001-10,000	20,68,196	290	2.61	3.73
10,001-50,000	45,77,957	225	5.79	2.89
50,001-1,00,000	28,26,021	39	3.57	0.50
Above 1,00,000	6,28,20,705	39	79.39	0.50
Total	7,91,25,188	7,777	100.00	100.00

Table II- Shareholding Pattern as on March 31, 2011

Particulars	As on March 31, 2011	
	No. of shares	% of total shares
Promoters, their investment companies, people acting in concert	5,02,85,065	63.55
Mutual Funds/ Financial Institutions	10,500	0.01
Bodies Corporate	83,10,088	10.50
Trust	30,16,529	3.81
Individual	1,61,55,473	20.42
NRIs, Foreign Nationals etc.	6,12,533	0.77
Overseas Corporate Bodies	7,35,000	0.93
Total Shareholding	7,91,25,188	100.00

Share Holding Pattern as on March 31, 2011



Dematerialization of Shares

For and on behalf of the Board

Surendra Kumar Surana
Managing Director & CEO
Jaipur, August 9, 2011

R.P. Udawat
Director

AUDITORS' CERTIFICATE REGARDING 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, 2011, 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 an opinion on financial statements of the Company.

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

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

FOR S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

CA SACHINDRA MISRA
Partner

Membership No. - 073776
Jaipur, August 9, 2011

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 CA Bhuvaneshwar Sharma, Manager (Accounts) & Chief Financial Officer 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 March 31, 2011 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 true and fair view of 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 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, August 9, 2011

CA Bhuvaneshwar Sharma
Manager (Accounts) &
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

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

A. Business Environment and outlook : The Company operates in areas like software design & development, IT education and learning solutions, wind power generation, customer support out-sourcing in telecommunications, software and E-Governance services, etc. Compucom range of services includes 24x7 customer service centers solutions, software maintenance and support, e-commerce solutions, GIS data conversion, internet and internet solutions, system integration, E-Governance, smart card solutions, networking solutions, technical support, operational support for VOIP network elements, implementation support for a network management system etc. In one of the network management solutions, the system monitors approximately 350 switching centers serving several telecom companies across the globe. 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. It has developed marketing strategies to sell our internally developed software applications to domestic customers.

B. Opportunities and Threats :

(1) Opportunities :

- (i) **ICT in Govt. Schools :** India is one of the world's largest education markets, with 445 million of the 1.1 billion population comprising the target group (5-20 age) of the education sector. The 'ICT in schools' scheme is a window of opportunity to bridge the digital divide in India. The scheme is a comprehensive initiative to open new vistas of learning and providing a level playing field to the school students of rural areas. Compucom is a passport to a fulfilling career in computer literacy, providing students with hands-on courses to stay abreast with the requirements of the I.T. world and moreover Compucom is one of the prominent player 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, Government tenders 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. 2000-2500 schools are expected to be added in the next 2-3 years under ICT project. We are currently implementing ICT and CALP programmes in 6082 Government schools. Compucom aims to usher an era of anytime, anywhere learning to break down the barriers to education.

We believe Compucom would witness exponential growth, the seamless execution of which would require huge cash flow, substantial human resources and an efficient management. Businesses mainly operate on BOOT-basis and are capital-intensive. All projects would require large upfront investments. Compucom would build and maintain the entire IT infrastructure of a school and receive fixed annuity in return, either on a quarterly or a semi-annual basis. Compucom has successfully implemented the BOOT model in over 6082 schools across the country.

Sarva Shiksha Abhiyan (SSA) is an effort to universalise 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 group. The programme also aims to bridge social, regional and gender gaps with the active participation of the community in the management of schools. The increased allocation to the SSA and Secondary Education will have a positive impact on all the IT training companies including Compucom as there would be increased allocation to computer training as well. The budget has also been positive for the IT training companies with increased allocation to the SSA and Secondary Education. Along with this, the demand for corporate training is increasing with more and more companies outsourcing training to specialized IT training companies hence the growth of the IT Training companies will be further boosted.

- (ii) **Pre-School Segment :** Compucom had ventured in pre-school seeing the huge market for such branded pre-school in India. Compucom has an aim, which is to ensure best qualitative play school practices of global standards, should reach the child at an affordable cost. Compucom would provide excellent quality pre-schools equipped with state of art teaching and learning material to urban and rural pre-schools at very affordable and acceptable cost. Every Pre School is equipped with LCD Projector, latest computer, health oriented equipment like refrigerator, microwave and water purifier apart from high end toys and interiors.

According to the current estimates, pre-school segments is a market of Rs. 5000 Crores and it is expected to grow to Rs. 13500 Crores by 2013.

- (iii) **Compucom Gurukul** : Compucom is running its new venture under brand name of Compucom Gurukul. It is an innovative step by the Company, which will bridge the existing gap of skills between the IT students and IT industries. According to NASSCOM survey, India produces 4,00,000 engineers every year out of which two-third are not employable or even trainable. The Company stepped in as first listed company to address the needs of these engineers and seek it as a major business segment in coming years.

The Compucom Gurukul training modules comprises of requirement oriented skill development of technical and soft skills on fast track basis. The Company is also planning to interact with major IT recruiters for a tie-up to provide job placement to Compucom Gurukul trainees.

- (iv) **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, great software services opportunities in Government sector are emerging like areas of Power Utilities, MNREGA, Unique ID Cards etc. Your Company has put significant efforts in harnessing this E-Governance business.

(2) Threat :

- (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 in 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-wise 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 endeavours 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 in 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 a professional and an adequate internal control system and procedure commensurate with the size of organization and nature of business. This provides adequate safeguards and effective monitoring of the transactions. All areas of the company's operations are covered by such internal control systems.

G Discussion on financial performance with respect to operational performance.

(I) Financial condition :

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

2. Reserves & Surplus :			3. Fixed Assets :		
	(Rs. in Lacs)			(Rs. in Lacs)	
Particulars	31-03-2011	31-03-2010	Particulars	31-03-2011	31-03-2010
Profit & Loss Account	4,844.81	4,018.79	Gross Block	12,207.29	9,296.03
General Reserves	1,319.03	1,219.03	Accumulated depreciation	5,638.48	3,517.00
Securities Premium	1,352.97	979.47	Net Fixed Assets	6,568.81	5,779.03
Capital Reserve	50.72	50.72	Total Income/Net Block	1.11	1.05
Total	7,567.53	6,268.01	Acc. Dep. as % of Gross Block	46.19	37.83

- 4. Investments :** The cash surplus available with the Company in FY 2010-11 has been invested in the FDRs. The details of investment made by the Company during the Financial Year is as under: **(Rs. in Lacs)**

Particulars	31.03.2011	31.03.2010
Equity Investments in ITneer Inc. (100% subsidiary)	439.24	439.24
Equity Investments in CSL Infomedia Pvt. Ltd.	325.00	-
Equity Shares	1.48	1.35
Investments in Mutual Funds	5.00	213.31
Other Investments	21.40	21.40
Total	792.12	675.30

- 5. Current Liabilities And Provisions :** **(Rs. in Lacs)**

Particulars	31.03.2011	31.03.2010
Sundry Creditors	665.97	806.87
Security Deposits	55.56	46.90
Provision for Income Tax	305.31	190.00
Unclaimed Dividend	12.64	14.21
Proposed Dividend & Dividend Tax	276.80	117.58
Expenses Payable	1,126.90	829.62
Government Dues	33.94	54.96
Unearned Franchisee fee	19.08	11.75
Other Current Liabilities	3.70	3.69
Provision for Gratuity	17.58	13.54
Provision for Audit Fees	1.27	1.10
Provision for Manpower Expenses	0.00	3.92
Total	2,518.75	2,094.14

Unclaimed dividend includes dividend paid but has not been encashed by the shareholders. There are no amounts due to small scale industries.

- 6. Sundry Debtors :** **(Rs. in Lacs)**

Particulars	31.03.2011	31.03.2010
Sundry Debtors	6,028.82	4,531.41
Total	6,028.82	4,531.41

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

- 7. Sundry Creditors :** **(Rs. in Lacs)**

Particulars	31.03.2011	31.03.2010
Sundry Creditors	665.97	806.87
Total	665.97	806.87

Sundry creditors represent mostly amounts owed to business associates/vendors associated with computer education projects and balance for various costs/administrative expenses.

(II) Financial Review :

- 1. Income :** The Company derives its income from Software and E-Governance services, sale of software products, learning solutions, IT education and training, wind power generation and treasury income. Treasury income includes capital gains, dividends from mutual funds and shares, interest on FDRs etc. **(Rs. in Lacs)**

Particulars	31.03.2011	31.03.2010
Software & E-Governance Services - Overseas	282.13	463.49
Domestic	521.90	521.75
Learning Solution	6,107.62	4,761.16
Wind Power Generation	190.83	196.76
Other Income	184.49	136.22
Total	7,286.97	6,079.38

- A. Software & E-Governance Services :** Compare to last year this sector has witnessed a decline on the overseas front due to overall slowdown in US Economy. However continued thrust in domestic software & E-Governance sector, domestic business has been maintained.

- 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. This segment has contributed Rs. 6,107.62 Lacs to the total revenue.

Regarding the learning solution apart from the ICT and CALP Projects of Government schools, the Company indulges in providing skill-development training to engineering and other curriculum batches, as well as Government and other corporate 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 takes care of the wind power project for the Company and deals on behalf of the Company with all regulatory bodies.

- D. Treasury Income :** Other income mainly consists of interest on FDRs, dividends and earnings from equity and debt based liquid or floating mutual fund investments. **(Rs. in Lacs)**

Particulars	31.03.2011	31.03.2010
Interest, Dividend & Other Income	140.91	122.91
Miscellaneous Income	43.57	13.31
Total	184.48	136.22

- E. 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	31.03.2011	31.03.2010
Revenue in Foreign Currency	282.13	463.49
Revenue Expenses in Foreign Currency	2.51	113.6
Capital Expenses in Foreign Currency	-	-
Net Exchange Earning	279.62	349.89

2. Expenditure : **(Rs. in Lacs)**

Particulars	31.03.2011	% of Total Revenue	31.03.2010	% of Total Revenue
Total Revenue	7,286.97	100.00	6,079.38	100.00
Expenses				
Manpower Expenses	398.99	5.47	488.57	8.04
Learning Solution Execution Expenses	2,268.31	31.13	1,749.45	28.78
Administrative & Other Expenses	464.68	6.38	558.38	9.18
Prior period expenses	6.31	0.09	16.47	0.27
Interest	488.29	6.70	502.80	8.27
Depreciation	2,125.71	29.17	1,645.54	27.07
Profit Before Tax	1,534.69	21.06	1,118.17	18.39
Provisions For Income Tax	331.87	4.55	190.59	3.14
Profit After Tax	1,202.82	16.51	927.58	15.25

- 3. Interest:** The Company relies on the internal accruals and/or term loans for financing the IT/ ICT projects awarded under the *Sarva Shiksha Abhiyan*. Interest paid during the year amounts to Rs. 488.29 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. CSL Infomedia Pvt. Ltd., is a 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 high priority for the Company.
- Number of Employees :** The Company had **111** permanent employees on its pay roll as on March 31, 2011.
- Cautionary Statement :** Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

For and on behalf of the Board

Surendra Kumar Surana

Managing Director & CEO

Jaipur, August 9, 2011

R.P. Udawat

Director

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of **COMPUCOM SOFTWARE LIMITED** as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditors Report Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, the Profit and Loss Account 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors and the information and explanations given to us, none of the Directors is prima-facie disqualified as at March 31, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

CA SACHINDRA MISRA

Partner
Membership No. - 073776
Jaipur, May 27, 2011

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN
DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2011 OF COMPUCOM SOFTWARE LIMITED**

As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditors' 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:

1.
 - 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.
2. The Company does not have any inventories.
3.
 - a) According to the information and explanations given to us, the Company has granted an unsecured loan 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. 2,31,34,720/- (outstanding balance as on March 31, 2011 is Nil). The Company has not charged interest on such loan. 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 repayment of principal which is as per mutual stipulations.

- b) According to the information and explanations given to us the Company has taken an unsecured loan from three companies listed 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. 22,11,02,790/- (outstanding balance as on March 31, 2011- Rs. 16,77,37,589/-). The rate of interest and other terms & conditions of the unsecured loan 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.
4. 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.
5. 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.
6. In our opinion and 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. The Company Law Board, or Reserve Bank of India, or any Court, or any other Tribunal has passed no order.
7. 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 should be strengthened further so as to match up with the growth of the Company.
8. 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.
9. a) 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) Details of dues of Income Tax and Entry Tax which have not been deposited as at March 31, 2011 on account of disputes are given below :

Particulars	Period to which the amount relates	Forum where the Dispute is pending	Amount (Rs.)
Income Tax	A.Y. 2005-06	Commissioner of Income Tax (Appeals)	13,75,878/-
Income Tax	A.Y. 2005-06	Commissioner of Income Tax (Appeals)	8,50,287/-
Income Tax	A.Y. 2008-09	Commissioner of Income Tax (Appeals)	26,73,470/-
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/-

10. 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.
11. 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. There are no dues to financial institutions or debenture holders.
12. As explained 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.
13. 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.

14. 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.
15. 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.
16. The Company has raised new term loans during the year. In our opinion and according to the information and explanations given to us, the term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. 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 purposes.
18. The Company has made preferential allotment of shares to a Company covered in the register maintained under Section 301 of the Companies Act, 1956 and the same is not prejudicial to the interest of the Company.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money by a public issue during the year.
21. 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 by the Company during the year.

For and on behalf of
S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

CA SACHINDRA MISRA

Partner
Membership No. - 073776
Jaipur, May 27, 2011

BALANCE SHEET AS AT MARCH 31, 2011

		(Rs.)	
Particulars	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	158,250,376	100,500,000
Warrant Application Money		15,850,000	-
Reserves & Surplus	B	756,752,628	626,801,426
		930,853,004	727,301,426
Loan Funds			
Secured Loans	C	321,440,488	267,382,559
Unsecured Loans		167,737,589	154,829,653
Deferred Tax Liability		60,001,974	57,631,253
TOTAL		1,480,033,055	1,207,144,891
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	D	1,220,728,708	929,602,568
Less: Accumulated Depreciation		563,847,949	351,699,920
Net Block		656,880,759	577,902,648
INVESTMENTS	E	79,212,011	67,529,820
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	F	602,881,570	453,140,673
Cash and Bank Balances		237,847,127	200,262,662
Other Current Assets		2,788,077	861,423
Loans and Advances		152,298,422	116,861,893
		995,815,196	771,126,651
Less: Current Liabilities & Provisions	G		
Liabilities		191,778,936	176,799,507
Provisions		60,095,975	32,614,721
Net Current Assets		743,940,285	561,712,423
TOTAL		1,480,033,055	1,207,144,891

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS K

This is the 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 behalf of the Board

Shubh Karan Surana
Director

CA Bhuvaneshwar Sharma
Manager (Accounts) & CFO

CS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rs.)

Particulars	Schedules	Year Ended March 31, 2011	Year Ended March 31, 2010
INCOME			
Software & E-Governance Services			
- Overseas		28,213,301	46,349,216
- Domestic		52,190,273	52,174,852
Learning Solutions		610,762,116	476,115,598
Wind Power Generation		19,082,979	19,675,865
Other Income	H	18,448,533	13,622,310
		728,697,202	607,937,841
EXPENDITURE			
Manpower Expenses	I	39,898,642	48,857,461
Learning Solution Execution Expenses		226,830,710	174,945,633
Administrative and Other Expenses	J	46,467,622	55,837,714
Prior period Expenses		630,741	1,646,588
		313,827,715	281,287,396
Operating Profit (PBDIT)		414,869,487	326,650,445
Interest		48,829,323	50,280,373
Depreciation		212,571,148	164,553,348
Profit Before Tax		153,469,016	111,816,724
Provision for Tax			
For Current Tax		30,530,886	19,000,000
For Deferred Tax		2,370,721	1,765,792
For Earlier Years		285,763	(1,706,735)
Profit After Tax		120,281,646	92,757,667
Balance of Profit Brought Forward		401,879,501	330,879,832
TOTAL AMOUNT AVAILABLE FOR APPROPRIATION		522,161,147	423,637,499
APPROPRIATIONS			
Dividend			
-Proposed Dividend (including Dividend Tax of Rs. 39,42,511)		27,680,068	-
-Interim Dividend (including Dividend Tax of Rs. 17,07,998)		-	11,757,998
Amount transferred to General Reserve		10,000,000	10,000,000
Balance in Profit and Loss Account carried to Balance Sheet		484,481,079	401,879,501
EPS Basic and Diluted		1.56	1.23

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS K

This is the Profit and Loss account 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 behalf of the Board

Shubh Karan Surana
Director

CA Bhuvaneshwar Sharma
Manager (Accounts) & CFO

CS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rs.)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax (Excluding Income from Investments)	139,365,191	99,499,477
Depreciation	212,571,148	164,553,348
Loss on Sale of assets	229,508	358,192
Profit on sale of assets	(35,833)	(42,587)
Provision for Gratuity	404,025	414,699
Operating Profit before Working Capital Changes	352,534,039	264,783,129
Decrease/(Increase) in Sundry Debtors	(149,740,897)	(119,008,541)
Decrease/(Increase) in Loans and Advances	(35,436,529)	(53,211,033)
Decrease/(Increase) in Other Current Assets	(1,926,653)	538,629
Increase/(Decrease) in Current Liabilities	14,603,702	(4,012,884)
Cash Generated from Operations	180,033,662	89,089,300
Income Tax Paid	(19,285,763)	(11,943,265)
Net Cash Flow from Operating Activities	160,747,899	77,146,035
Cash Flow from Investing Activities		
Income from Investments	14,091,088	12,291,183
Purchase of Fixed Assets	(294,207,022)	(52,708,257)
Sale of Fixed Assets	2,464,087	33,474,040
Investment/ sale in Shares	(32,500,000)	-
Investment/ sale in Mutual Funds	20,830,546	(21,330,546)
Net Cash flow From Investing Activities	(289,321,301)	(28,273,580)
Cash Flows from Financing Activities		
Increase in Paid up Share Capital	110,950,000	-
Increase in Loan Funds	66,965,865	22,006,275
Dividend Paid (Including Dividend Tax)	(11,757,998)	(11,757,998)
Net Cash Flow From Financing Activities	166,157,867	10,248,277
Total Increase/(Decrease) in Cash and Cash Equivalents	37,584,465	59,120,732
Cash and Cash Equivalents at the beginning of the year	200,262,662	141,141,930
Cash and Cash Equivalents at the end of the year	237,847,127	200,262,662

This is the 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 behalf of the Board

Shubh Karan Surana
Director

CA Bhuvaneshwar Sharma
Manager (Accounts) & CFO

CS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Rs.)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
SHARE CAPITAL		Schedule-A
Authorised		
10,00,00,000 Equity Shares of Rs. 2/- each	200,000,000	-
(60,000,000 Equity Shares of Rs. 2/- each)	-	120,000,000
Issued, Subscribed and Paid-up		
7,91,25,188 Equity Shares of Rs. 2/- each	158,250,376	-
5,02,50,000 Equity Shares of Rs. 2/- each)	-	100,500,000
	158,250,376	100,500,000
RESERVES AND SURPLUS		Schedule-B
Capital Reserve	5,071,575	5,071,575
General Reserve	131,903,450	121,903,450
Profit and Loss Account	484,481,079	401,879,501
Securities Premium Account	135,296,524	97,946,900
	756,752,628	626,801,426
LOAN FUND		Schedule-C
SECURED LOAN		
Term Loan from Bank of Baroda	53,694,332	99,569,893
(Secured against Mortgage of Land & Building Situated at IT 12-13 and IT 14-15)		
Term Loan from HP Financial Services India Pvt. Ltd.	169,131,281	155,632,198
(Secured against Hypothecation of Equipment Financed)		
Term Loan from Bank of Baroda	2,208,837	3,089,698
(Secured against Hypothecation of Vehicle Financed)		
HDFC Bank car loan	1,300,359	2,081,016
SREI Equipment Finance Pvt. Ltd.	94,104,962	-
Mahindra & Mahindra Financial Services Ltd.	471,284	-
Overdraft from BOB	-	7,009,754
Tata Motors Finance Ltd.	529,433	-
	321,440,488	267,382,559
UNSECURED LOAN		
Compucom Technologies Private Limited	89,580,615	101,658,844
Rishab Infotech Private Limited	58,325,750	44,737,209
Sambhav Infotech Private Limited	19,831,224	8,433,600
	167,737,589	154,829,653
	489,178,077	422,212,212

FIXED ASSETS
Schedule- D

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-Apr-10	Additions	Deductions	As at 31-Mar-11	As at 1-Apr-10	For the year	On Deductions	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Land (includes land development)	6,629,799	6,279,456	-	12,909,255	-	-	-	-	12,909,255	6,629,799
Building-Freehold	25,839,372	-	-	25,839,372	4,071,414	420,615	-	4,492,029	21,347,343	21,767,958
Building-Leasehold	5,505,132	-	-	5,505,132	824,886	89,734	-	914,620	4,590,512	4,680,246
Plant & Machinery (Inc. Installed Software)	653,783,273	267,834,039	2,214,580	919,402,732	275,171,169	196,257,354	5,261,967	466,166,556	453,236,176	378,612,104
Wind Power Plant	160,800,000	-	-	160,800,000	31,939,174	7,638,000	-	39,577,174	121,222,826	128,860,826
Softwares-acquired/developed	16,920,840	-	-	16,920,840	16,920,840	-	-	16,920,840	-	-
Exclusive Marketing Rights (TGS)	8,020,826	-	-	8,020,826	7,216,555	802,083	-	8,018,638	2,188	804,271
Furniture and fixtures	34,444,702	18,525,496	866,302	52,103,896	12,566,691	10,766,939	288,767	23,044,863	29,059,033	21,878,011
Vehicles	17,658,624	1,568,031	-	19,226,655	2,989,192	1,724,037	-	4,713,229	14,513,426	14,669,432
TOTAL	929,602,568	294,207,022	3,080,882	1,220,728,708	351,699,920	217,698,762	5,550,734	563,847,949	656,880,759	577,902,648

INVESTMENTS
Schedule-E
Long Term Investments
a. Investment in Subsidiary (At Cost)

ITneer Inc., USA

100% of Equity Stock (Acquisition cost US \$ 1,000,000)

Investment in CSL Infomedia Pvt. Ltd.

b. Investment in Shares
Quoted Fully paid Equity Shares (Market value as on 31.3.2011-Rs. 48,109.50/-)

Unquoted Fully paid Equity Shares

 43,924,400
32,500,000

 41,322
310,491

 43,924,400
-
41,322
310,491

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Less:-Provision for Diminution in the value of Shares	351,813 (203,702)	351,813 (216,439)
	148,111	135,374
Current Investments		
c. Investment in Mutual Funds		
Baroda Pioneer PSU Equity Fund	500,000	-
BSL Medium Term Plan	-	7,133,486
Reliance Money Manager Fund	-	7,109,985
UTI Floating Rate Fund STP	-	7,087,075
	500,000.00	21,330,546
d. Investment in Government Securities		
National Savings Certificates (Pledged with Commercial Taxes Department)	2,000	2,000
National Savings Certificates	350,000	350,000
National Savings Certificates (Pledged with Raj Comp. Jaipur)	1,787,500	1,787,500
	2,139,500	2,139,500
	79,212,011	67,529,820
CURRENT ASSETS, LOANS AND ADVANCES		Schedule-F
Sundry Debtors		
(a) Outstanding More than six months (considered good)		
(i) Debtors Relating to Learning Solutions Business (net of credit balances)	301,867,767	241,373,961
(ii) Others	9,501,900	15,002,504
(b) Outstanding Less than six months (considered good)		
(i) Overseas Debtors	1,624,867	-
(ii) Debtors relating to learning solutions business (net of credit balances)	257,351,724	175,139,403
(iii) Others	32,535,312	21,624,805
	602,881,570	453,140,673
Cash and Bank Balances		
Cash in hand	1,684,868	788,337
Balances with Scheduled banks		
- in Current Accounts	20,024,431	9,986,145
- in Deposit Accounts	216,137,828	189,488,180
	237,847,127	200,262,662
Other Current Assets		
Accrued Interest	1,491,358	861,423
CPG Tool Kit	1,296,719	-
	2,788,077	861,423
Loans and Advances		
Advances Recoverable in Cash or in Kind		
Advance Income Tax	15,000,000	3,500,000
TDS	16,348,700	16,430,574
IT deposit under protest	7,829,447	3,713,680
Prepaid Expenses	6,581,467	2,366,119
Advance to Staff	200,129	1,287,358
Security Deposits	22,459,735	5,712,135
Advance to CSL Employee Welfare Trust	1,160,050	13,495,416
Advance against expenditure	7,340,870	5,322,051
Other Advances (Includes Accrued Income)	75,378,024	65,034,560
	152,298,422	116,861,893
CURRENT LIABILITIES AND PROVISIONS		Schedule-G
Current Liabilities		
Sundry Creditors		
(a) Creditors relating to Learning Solutions Business	62,562,635	64,241,603
(b) Others	4,033,896	16,444,947
Salary Payable	1,066,646	739,107
Expenses Payable	111,623,354	82,222,836
Government Dues	3,394,299	5,496,117
Unclaimed Dividend	1,264,470	1,420,876
Unearned Franchisee Fee	1,908,204	1,175,010

	Year ended March 31, 2011	Year ended March 31, 2010
Security Deposits	5,556,193	4,689,773
GNEPIP Noida	369,239	369,239
	191,778,936	176,799,507
Provisions		
Provision for Audit Fee	126,845	110,300
Provision for Gratuity	1,758,176	1,354,151
Provision for Current Tax	30,530,886	19,000,000
Provision for Interim Dividend	-	11,757,998
Proposed Dividend and Dividend tax	27,680,068	-
Provision for manpower exp.	-	392,272
	60,095,975	32,614,721
	251,874,911	209,414,228
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT		
OTHER INCOME		Schedule H
Interest Income	13,763,897	11,924,584
Dividend Income	282,261	366,600
Capital Gains	44,930	-
Miscellaneous Income	4,357,445	1,331,127
	18,448,533	13,622,310
MANPOWER EXPENSES		Schedule I
Pay and Salary	38,445,998	47,675,771
Contribution to Funds	928,539	579,110
Employees Welfare Expenses	120,080	130,178
Gratuity	404,025	472,402
	39,898,642	48,857,461
ADMINISTRATIVE AND OTHER EXPENSES		Schedule J
Advertisement and Sales Promotion Expenses	2,813,314	1,779,661
Audit Fee		
- Statutory Audit Fees	101,476	88,240
- Tax Audit Fees	25,369	22,060
Bad Debts	-	17,207
Loss on Sale of assets	229,508	307,726
Penalty Charges	-	344,715
Service Tax Expenses	135,966	901,550
Urban Development Charges	-	81,911
Misc. Deduction in ICT Project & RKCL	-	12,586,189
Communication Expenses	2,825,104	4,222,875
Loan Processing Charges	1,953,980	1,340,492
Director Sitting Fees	138,000	123,999
Donations	3,500,000	2,723,100
Foreign Exchange Rate Difference	898	1,238
Insurance Expenses	2,304,982	1,420,965
Bank Guarantee Commission	2,941,779	1,877,262
Office Expenses	697,383	897,703
Miscellaneous Expenses	3,688,007	3,962,271
Printing and Stationery	3,563,052	9,286,664
Rent and Facility Support	1,833,680	2,551,388
Corporate Social Responsibility Expense	3,716,620	711,982
Repair and Maintenance	2,242,955	1,188,357
Operation and Maintenance (Wind Power)	1,459,177	1,878,618
Vehicle Running and Maintenance		
-For Project Execution	5,665,934	3,871,260
-For Others	514,862	583,971
Travelling and Conveyance Expenses	1,624,102	1,376,930
Water and Electricity Expenses	1,805,593	1,835,644
Legal and Professional Expenses	2,685,881	1,500,324
	46,467,622	57,484,302

K - 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 (GAAP) in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.
- B. 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 unamortised balance is charged to revenue. If the usage of software is discontinued, its unamortised cost is also charged to revenue.
- Exclusive marketing rights is capitalized and written off over its agreement period of ten years.
- Depreciation is provided under the straight-line method, based on the rates provided under schedule XIV to the Companies Act 1956.
- Fixed Assets purchased during the year for all new projects are depreciated equally over the respective projects life.
- C. Investments :** Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than that of a temporary nature.
- Current investments intended to be held for less than one year are stated at lower 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 is accounted on cost method. Under the method, Company recognizes only dividend received from subsidiary as income. Undistributed profits of subsidiary are not accounted.
- D. Foreign Exchange 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 Profit and Loss Account except in respect of liabilities incurred to acquire fixed assets in which case, they are adjusted to the carrying amount of such fixed assets.
- E. 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 recognized when the company's right to receive is established.
- F. Impairment of Assets :** The management has not identified any indication of impairment of asset from internal or external source of information.
- G. 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 capitalised 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.
- H. 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.
- I. Retirement Benefits :** The Company provides retirement / post retirement benefits in the form of gratuity. Such benefits are provided on the basis of valuation as on the date of Balance Sheet.

Notes to Accounts

1. Contingent liabilities :

- (i) Bank Guarantees outstanding - Rs. 23,13,01,232/- (Previous year Rs. 17,13,23,521/-) Counter Guarantee given by the Company of Rs. 23,13,01,232/- (Previous year Rs. 17,13,23,521/-)
- (ii) During the F.Y. 2009-10, the Company had received a demand notice from Commercial Tax Department related to entry tax for Rs. 1,79,68,605/- (including penalty). The Company has deposited 50% of the basic demand under protest i.e. Rs. 34,28,931/- during the F.Y. 2010-11. Such type of cases are under litigation and pending before hon'ble Supreme Court and various High Courts for final decision.
- (iii) During the current financial year, the Company has received income tax demand notices for the A.Y. 2005-06 amounting to Rs. 27,51,755/- and for the A.Y. 2008-09 of Rs. 53,46,940/-. The Company has deposited 50% of the said demands under protest. Against this demand an appeal is pending before the Commissioner of Income Tax (Appeals).
- (iv) During the financial year, the Company has also 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. Against this order an appeal has been filed before the Commissioner of Income Tax (Appeals).

2. **Quantitative details :** The Company is primarily engaged in the development and maintenance of Computer Software, Learning Solutions, Wind Power Generation and Treasury Operations. The operations of the software and learning solutions business and treasury operations of the Company cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and certain other information required under paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956 in respect of such business. However in relation to Wind Power Generation segment, Quantitative details are stated below:

Wind Power Plant	Jaisalmer (Rajasthan)	Sikar (Rajasthan)	Krishna (Andhra Pradesh)
Installed Capacity	1.20 MW	1.20 MW	0.80 MW
Units (in KWH) Generated during the year	14,61,791	20,57,755	15,46,050

3. **Managerial remuneration :** A sum of Rs. 9,72,000/- (Previous year Rs. 9,35,800/-) was paid as remuneration to the Managing Director during the year ended on March 31,2011. No remuneration was paid to any other director during the year ended March 31, 2011, except sitting fees to Directors for attending the Board or Committee meetings.

4. Foreign exchange earnings and outgo :

CIF value of Imports Rs. NIL (Previous year NIL)

Other expenses incurred in foreign currency on manpower, administrative and marketing expenses – Rs. 2,50,505/- (Previous year Rs. 1,13,59,665/-)

FOB value of exports - Rs. 2,82,13,301/- (Previous year Rs. 4,63,49,216/-)

5. Dividend remitted in foreign currency :

Particulars	2010-11	2009-10
For the Financial Year 2008-09	-	1,80,500
For the Financial Year 2009-10	1,80,500	-
No. of Shares	9,02,500	9,02,500

6. **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.

7. A provision for diminution in the value of long-term investments of Rs. 2,03,702/- for current year has been made whereas provision of diminution in value of current investment of Rs. 2,16,439/- 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 Profit and Loss Account.

8. The Income from wind power generation of Rs. 190.83 Lacs include Rs. 10.63 Lacs income from carbon credit.

9. Earnings per share :

	2010-11	2009-10
A. Profit Attributable to equity shareholders (Rs.)	12,02,81,646/-	9,27,57,667/-
B. Weighted Average Number of Equity Shares (Face Value of Rs. 2/-)	7,68,95,736	7,53,75,188
C. Nominal Value of Equity Shares (Rs.)	2/-	2/-
D. EPS (Basic & Diluted) [A / B]	1.56	1.23

10. Deferred Taxes Liability :

	As on 31.3.2011	As on 31.3.2010
Deferred Tax Liabilities		
Opening balance	Rs. 5,76,31,253/-	Rs. 5,58,65,462/-
Add: Charged to Profit & Loss A/c	Rs. 23,70,721/-	Rs. 17,65,792/-
Net Deferred Tax Liabilities	Rs. 6,00,01,974/-	Rs. 5,76,31,253 /-

11. Retirement Benefits :

The Company operates "Post Retirement Gratuity Defined Benefit Plan" as follows:

Description	In Rs.
1. Reconciliation of opening and closing balances of obligation	
a. Opening Defined Benefit Obligation as at 1.4.2010	14,11,854
b. Current Service Cost	2,53,945
c. Interest Cost	1,12,948
d. Actuarial (Gain)/Loss	37,132
e. Benefits Paid	(57,703)
f. Obligation as at 31.3.2011	17,58,176
The defined benefit obligation as at 31.3.2011 is funded by the Company	
2. Change in Plan Assets (Reconciliation of opening & closing balances)	
a. Fair Value of Plan Assets as at 1.4.2010	-
b. Expected return on Plan Assets	-
c. Actuarial Gain/(Loss)	-
d. Contributions	-
e. Benefits Paid	-
f. Fair Value of Plan Assets as at 31.3.2011	-
3. Reconciliation of fair value of assets and obligations	
a. Fair Value of Plan Assets as at 31.3.2011	-
b. Present Value of Obligation as at 31.3.2011	17,58,176
c. Amount recognised in the Balance Sheet	17,58,176
4. Expense recognised during the year	
a. Current Service Cost	2,53,945
b. Interest Cost	1,12,948
c. Expected return on Plan Assets	-
d. Actuarial (Gain)/Loss	37,132
e. Past Service Cost	-
f. Losses (gains) on curtailments and settlement	-
g. Expense recognised during the year	4,04,025
5. Investment Details	% invested
a. GOI Securities	-
b. Public Sector Unit Bonds	-
c. State / Central Guaranteed Securities	-
d. Special Deposit Schemes	-
e. Private Sector Bonds	-
f. Others (including bank balances)	-
6. Assumptions	
a. Discount Rate (per annum)	8.00%
b. Estimated Rate of return on Plan Assets (per annum)	-
c. Rate of Escalation in Salary (per annum)	6.00%

12. Related Party Disclosures :
A. List of Related Parties
(i) Parties where control exists: Subsidiary Company:

- ITneer Inc.
- CSL Infomedia Pvt. Ltd.

(ii) Other related parties with whom transactions have taken place during the year :
(a) Associates & Joint Ventures :

- Tekmark CSL Inter Solutions LLC

(b) Key Management Personnel :

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

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

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

(Rs. in Lacs)

[illegible]

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

(Rs.in Lacs)

Segment	USA		India		Total	
	10-11	09-10	10-11	09-10	10-11	09-10
Revenue	282.13	463.49	7004.84	5,615.89	7286.97	6,079.38
Identifiable Operating expenses	49.29	151.83	2944.48	2,999.45	2993.77	3,151.28
Allocated Expenses	24.44	16.45	2718.02	1,755.70	2742.46	1,772.15
Segment Operating Income	208.40	295.21	1342.34	860.74	1550.74	1,155.95
Unallocable expenses	-	-	-	-	16.05	37.78
Profit Before Taxes	-	-	-	-	1534.69	1,118.17
Income Taxes	-	-	-	-	331.87	190.59
Profit After Taxes	-	-	-	-	1202.82	927.58

14. The previous year's figures have been recasted/restated, wherever necessary, to confirm to the current year classification. In the F.Y. 2009-10, the expense 'Misc. Deduction in ICT Project & RKCL' was grouped under the head 'Administrative and other Expenses', which has been correctly re-grouped under the head 'Learning Solution Execution Expenses' in the F.Y. 2010-11.

Signatures to Schedules 'A' to 'K' above

For S. Misra & Associates

Chartered Accountants

FRN - 004972C

For and on behalf of the Board
CA Sachindra Misra, Partner

Membership No. - 073776

Jaipur, May 27, 2011

Surendra Kumar Surana

Managing Director & CEO

Shubh Karan Surana

Director

CA Bhuvaneshwar Sharma

Manager (Accounts), CFO

CS Sulekha Jangid

Company Secretary &

Compliance Officer

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

(In terms of Part IV of Schedule VI of Companies Act, 1956)

(Rs.)

REGISTRATION DETAILS

Registration Number

9,798

State Code

17

Balance Sheet Date

31.03.2011

CAPITAL RAISED DURING THE YEAR

Public Issue

-

Right Issue

-

Bonus Issue

50,250,376

Private Placement

7,500,000

MOBILIZATION AND DEPLOYMENT OF FUNDS

Total Liabilities

1,480,033,055

Total Assets

1,480,033,055

SOURCES OF FUNDS

Paid-up Capital

158,250,376

Reserves and Surplus

756,752,628

Secured Loan

321,440,488

Unsecured Loan

167,737,589

APPLICATION OF FUNDS

Net Fixed Assets

656,880,759

Investments

79,212,011

Net Current Assets

743,940,285

Miscellaneous Expenditure

-

PERFORMANCE OF THE COMPANY

Turnover

728,697,202

Total Expenditure

575,228,186

Profit Before Tax

153,469,016

Profit After Tax

120,281,646

Earnings Per Share

1.56

Dividend %

-

GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES

Item Code (ITC Code)

8524 9002

Product Description

Computer Software

For S. Misra & Associates

Chartered Accountants

FRN - 004972C

CA Sachindra Misra, Partner

Membership No. - 073776

Jaipur, May 27, 2011

Surendra Kumar Surana

Managing Director & CEO

For and on behalf of the Board
Shubh Karan Surana

Director

CA Bhuvaneshwar Sharma

Manager (Accounts) & CFO

CS Sulekha Jangid

Company Secretary &

Compliance Officer

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, 2011
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\$ 6428
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) To dealt with or provided for in the accounts of holding company	US\$ (15848)
8	Material changes between end of financial year of the subsidiary company and the Company's financial year ended on March 31, 2011	
	(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. - 073776Surendra Kumar Surana
Managing Director & CEO**For and on behalf of the Board**Shubh Karan Surana
DirectorCA Bhuvaneshwar Sharma
Manager (Accounts) & CFOCS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

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

1	Name of Subsidiary	CSL Infomedia Pvt. Ltd.
2	Financial year of subsidiary company ended on	March 31, 2011
3	Holding company	Compucom Software Limited, India
4	Holding company's interest	65%
5	Shares held by the holding company in the subsidiary	32,50,000 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. 16,494/-
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) To dealt with or provided for in the accounts of holding company	Nil
8	Material changes between end of financial year of the subsidiary company and the Company's financial year ended on March 31, 2011	
	(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. - 073776Surendra Kumar Surana
Managing Director & CEO**For and on behalf of the Board**Shubh Karan Surana
DirectorCA Bhuvaneshwar Sharma
Manager (Accounts) & CFOCS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

AUDITORS' REPORT ON CONSOLIDATED STATEMENTS

The Board of Directors of
Compucom Software Limited
On The Consolidated Financial Statements of
Compucom Software Limited and its Subsidiaries

1. We have audited the attached Consolidated Balance Sheet of Compucom Software Limited and its subsidiary as at March 31, 2011 and the related Consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we signed under reference to this report.
2. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one of the subsidiaries, namely, ITneer Inc. whose financial statements reflect total assets of Rs. 5,14,84,470/- as at March 31, 2011 and total revenues of Rs. 1,90,85,034/- 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.
4. We report that these consolidated statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard 21 "Consolidated Financial Statements" and other applicable Accounting Standards, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance sheet, of the consolidated state of affairs of the Company and its subsidiaries as at March 31, 2011,
 - b. in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date, and
 - c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

FOR S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

CA SACHINDRA MISRA

Partner
Membership No. - 073776
Jaipur, May 27, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Rs.)

	As at March 31,2011	As at March 31,2010
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital and Reserves	919,600,876	731,382,782
Warrant Application Money	15,850,000	-
Foreign Exchange Translation Reserve	(310,518)	(259,771)
Minority interest	17,640,693	-
	952,781,051	731,123,011
Loan Funds	489,178,077	422,212,212
Deferred Tax Liability	60,051,620	57,631,253
TOTAL	1,502,010,748	1,210,966,476
APPLICATION OF FUNDS		
FIXED ASSETS	695,846,988	617,377,352
INVESTMENTS	2,524,762	22,906,151
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors	604,655,356	455,746,206
Cash and Bank Balances	297,651,458	208,628,729
Loans and Advances	128,620,332	117,480,548
Other Current Assets	26,427,286	861,423
	1,057,354,432	782,716,906
Less: Current Liabilities & Provisions		
Liabilities	192,642,265	178,863,878
Provisions	61,073,169	33,170,055
Net Current Assets	803,638,998	570,682,973
TOTAL	1,502,010,748	1,210,966,476

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ARE ATTACHED

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 behalf of the Board

Shubh Karan Surana
Director

CA Bhuvaneshwar Sharma
Manager (Accounts) & CFO

CS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rs.)

	Year Ended March 31, 2011	Year Ended March 31, 2010
INCOME		
Income From Operations	726,036,774	620,620,641
Other Income	18,465,027	15,481,625
	744,501,801	636,102,266
EXPENDITURE		
Manpower Expenses	45,912,053	61,091,961
Course Execution Expenses	226,894,796	174,945,633
Administrative , Marketing and Other Expenses	55,384,289	71,570,098
Total Expenditure	328,191,138	307,607,692
Operating Profit (PBDIT)	416,310,663	328,494,574
Interest	48,829,323	50,280,373
Depreciation	213,746,636	165,582,966
Profit Before Tax	153,734,704	112,631,235
Provision for Current and Deferred Tax	33,301,770	19,136,238
Profit After Tax	120,432,934	93,494,997
Balance of Profit Brought Forward	479,700,300	386,205,303
AMOUNT AVAILABLE FOR APPROPRIATION	600,133,234	479,700,300
Dividend		
- Interim Dividend	-	11,757,998
- Proposed Dividend (including Dividend Tax)	27,680,068	-
Amount transferred to General Reserve	10,000,000	10,000,000
Balance in Profit and Loss Account	562,453,166	457,942,302
EPS Basic and Diluted	1.57	1.24

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ARE ATTACHED

This is the Consolidated Profit & Loss Account 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 behalf of the Board
Shubh Karan Surana
Director

CA Bhuvaneshwar Sharma
Manager (Accounts) & CFO

CS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rs.)

	Year Ended March 31, 2011	Year Ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax (excluding Income from Investments)	140,232,430	98,735,405
Depreciation	213,763,385	165,582,966
Preliminary Expenses W/off	5,504	-
Loss on Sale of assets	229,508	358,192
Profit on sale of assets	(35,833)	(42,587)
Provision for Gratuity	404,025	414,699
Operating Profit before Working Capital Changes	354,599,020	265,048,675
Decrease/(Increase) in Sundry Debtors	(150,276,881)	(114,399,336)
Decrease/(Increase) in Loans and Advances	(35,449,985)	(53,235,599)
Decrease/(Increase) in Other Current Assets	(3,126,939)	446,083
Increase/(Decrease) in Current Liabilities	16,899,920	(212,194)
Cash generated from Operations	182,645,135	97,647,629
Income Tax Paid	(19,353,263)	(12,552,590)
NET CASH FLOW FROM OPERATING ACTIVITIES	163,291,872	85,095,039
Cash Flow from Investing Activities		
Income from Investments	14,334,455	16,522,891
Purchase of Fixed Assets	(295,054,106)	(81,618,929)
Sale of Fixed Assets	2,464,087	33,474,040
Investment in Shares	(32,500,000)	-
Investment in Mutual Funds	20,830,546	(21,330,546)
NET CASH FLOW FROM INVESTING ACTIVITIES	(289,925,018)	(52,952,544)
Cash Flows from Financing Activities		
Increase in Paid up Share Capital	160,850,000	-
Repayment of Loan	(607,176)	-
Increase /(Decrease) in Loans	66,965,865	22,611,486
Dividends Paid (Including Dividend Tax)	(11,769,543)	(11,757,998)
NET CASH FLOWS FROM FINANCING ACTIVITIES	215,439,146	10,853,488
Effect of change in exchange rate	(48,651)	(4,167,040)
Net Increase/(Decrease) in Cash and Cash Equivalents	88,806,002	42,995,983
Cash and Cash Equivalents at the beginning of the Period	208,894,107	169,799,786
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	297,651,458	208,628,729

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 behalf of the Board

Shubh Karan Surana
Director

CA Bhuvaneshwar Sharma
Manager (Accounts) & CFO

CS Sulekha Jangid
Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

[illegible]

(b) Secondary Reporting Segment by Geographical Segment
(Rs. in Lacs)

Segment	USA		India		Elimination		Total	
	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
Revenue	473.14	745.13	7004.84	5615.89	(32.97)	(1.28)	7445.01	6358.28
Identifiable Operating Expenses	237.65	414.97	2944.48	2999.45	(32.97)	(1.28)	3149.16	3411.68
Allocated Expenses	24.44	16.45	2718.02	1755.70	-	-	2742.46	1772.15
Segment Operating Income	211.05	313.71	1342.34	860.74	-	-	1553.39	1174.45
Unallocable Expenses							16.05	48.14
Profit Before Tax							1537.34	1126.31
Income Tax							333.01	191.36
Net Profit after Tax							1204.33	934.95

For S. Misra & Associates

Chartered Accountants

FRN - 004972C

CA Sachindra Misra, Partner

Membership No. - 073776

Surendra Kumar Surana

Managing Director & CEO

For and on behalf of the Board

Shubh Karan Surana

Director

CA Bhuvaneshwar Sharma

Manager (Accounts) & CFO

CS Sulekha Jangid

Company Secretary &
Compliance Officer

Jaipur, May 27, 2011

INDEPENDENT AUDITORS' REPORT

Board of Directors
ITneer Inc.
Buford, GA 30518

We have audited the accompanying Balance Sheet of ITneer Inc. as of March 31, 2011 and the related statement of income and retained earnings and statement of Cash Flow for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Financial Statement based upon our audit.

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

We were unable to obtain an attorney representation letter as support for ensuring that no potential contingent liabilities exist as March 31, 2011. We did obtain management's representations however, that there are no current or known potential claims, lawsuits or other contingent liabilities against the company.

In our opinion, except for us not being able to determine the potential for any contingent liabilities that if such existed could have a material impact on the financial statements, the Financial statement referred to above present fairly, in all material respects, the financial position of ITneer Inc. as of March 31, 2011 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Helfer & Company CPA
Duluth, GA 30097
May 14, 2011

ITNEER INC.
Balance Sheet As of March 31, 2011

ASSETS			(Amount in \$)
CURRENT ASSETS			
Cash	Note 2		1937,721
Accounts Receivable	Note 3		76,529
Prepaid Corporate Taxes			1,040
Employee Advances	Note 4		2,303
Total Current Assets			273,594
PROPERTY AND EQUIPMENT, (Net of Accumulated Depreciation)	Note 5		
Building & Improvements (Net of Accum. Depreciation \$ 57,193)			570,289
Land			262,869
Equipment – (Net of Accum. Depreciation of \$ 42,304)			21,881
Furniture & Fixtures – (Net of Accum. Depreciation of \$ 3,068)			11,890
Software – (Net of Accum. Depreciation of \$ 1,185)			0
Net Property and Equipment:			866,929
OTHER ASSETS			
Investment - TCIS LLC	Note 6		15,177
Security Deposits			3,600
Total Other Assets			18,777
TOTAL ASSETS :			1,159,299
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts Payable			37,261
Accrued Expenses			4,000
Payroll Taxes Payable			1,019
Current Income Tax			500
Deferred Income Tax			12,829
Rental Deposit			2,350
Total Current Liabilities :			57,959
STOCKHOLDER'S EQUITY			
Capital Stock: 1,000,000 Authorized Common Stock at no par value			
Paid in Excess			1,000,000

Retained Earnings Beginning of the Year	94,913
Net Income for Current Year	6,428
Total Stockholder's Equity	1,101,340
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	1,159,299

See Accountant's Report accompanying Notes are an integral parts of these financial statements

Statement of Income and Retained Earnings For The Year Ended March 31, 2011

Income :	(Amount in \$)
Income From Services	377,701
Other Income	
Investment Income: Portfolio	5,951
Investment Income: Rental	44,840
Total Income	428,492
Operating Expenses :	
Advertising	324
Bank Charges	278
Cleaning, Repairs & maintenance	8,080
Commission Expenses	811
Depreciation Expense	26,469
Donations	100
Dues & Subscriptions	576
Insurance	6,705
Meals & Entertainment	4,477
Office Condo Dues	4,731
Office Supplies	4,373
Payroll Tax Expenses	8,823
Postage	258
Professional Fees	15,434
Real Estate Taxes	15,195
Salary & Wages	195,611
Subcontracting	Note 7 100,055
Telephone & Internet	6,772
Travel	12,931
Utilities	7,488
Total Operating Expense	419,489
Net Income From Operations :	9,004
Provision for Corporate Income Tax Current	1,694
Provision for Corporate Income Tax Deferred	882
Net Income after Taxes	6,428
Retained Earnings at the Beginning	94,913
Retained Earnings at the Ending	101,340

See Accountant's Report accompanying Notes are an integral parts of these financial statements

Statement of Cash Flow For the Year ended March 31, 2011

Cash Flow from Operating Activities :	(Amount in \$)
Net Income(Loss)	6,428
Adjustments to reconcile Net Income:	
Current Year Depreciation	26,469
Changes in operating assets and liabilities:	
Accounts Receivable	(12,069)
Rental Deposits	(1,900)
Employee Loans	(303)
Prepaid Expenses and Taxes	(3,970)
Account Payable	5,449
Accrued Liabilities	4,000
Total Adjustments	17,676
Net Cash (used in) provided by Operating Activities	24,103

Cash Flow from Investing activities:

Investment Income	5,464
Capital Expenditures	(9,603)
Net Cash provide by (Used in) Investing Activities	(4,139)

Cash Flow from Financing Activities :

Loan Payable	(13,550)
Net Cash Provide by (used in) Financing Activities	(13,550)
Net Increase/(Decrease) in Cash and Cash Equivalents	6415
Cash and Cash Equivalents at beginning of the Period	187,307
Cash and Cash Equivalents at End of the Period	193,721
Income Taxes - Current	500

See Accountant's Report accompanying Notes are an integral parts of these financial statements

Notes to Financial Statements

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

Note 1. Summary of significant Accounting Policies:

- A.** 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 financial statement amounts and disclosure.
- B.** Revenue Recognition: Revenue is recognized monthly as it is earned. All services performed upto the Balance sheet date have been billed and accrued.
- C.** Property and Equipment: Property and Equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful life of the respective assets.
- D.** Income Taxes: Deferred income taxes in the accompanying financial statements reflect temporary difference in reporting result of operation for income tax and financial accounting purpose.

Note 2. None of the company's bank account balance as of March 31, 2011 was in excess of \$250,000. Currently, Bank accounts are FDIC insured only up to \$250,000.

Note 3. The Company had seven (7) customers, five (5) of whom accounted for approximately 99% of sales for the year and 99% of account receivable at March 31, 2011. A loss of these customers could have material impact on the financial condition of the company.

Note 4. The Company provides on a need basis employee advances or short term loans, interest free for sixty (60) days or less, as of March 31, 2011 balance of these was \$2,303.

Note 5. Property & Equipment:

Property & Equipment's at March 31, 2011 consist of:

Computer	\$ 64,185
Building & Improvements	627,482
Furniture & Fixtures	14,958
Software	1,185
Total	\$ 707,810
Accumulated Depreciation	(103,750)
Land	262,869
Net Property & Equipment	\$ 866,929

The Company provides Straight Line depreciation for the book purpose and recorded \$26,469 for the year ended as March 31, 2011.

Note 6. The Company has made a 50% Partnership investment in Tekmark-CSL International Solutions, LLC (TCIS), a domestic calendar year Limited Liability Company. For the year ending December 31st 2010, the company's share of profit from this investment was \$5,464 which was recorded as receivable as of March 31st 2011 and total distribution received during the year were \$95,000.

Note 7. During the current year total outsourcing cost of \$100,055 were recorded in the books, of which \$69,430 was from Compucom Software Limited, India (a parent company) and there was \$36,430 outstanding payable to Compucom Software Limited, India as of March 31, 2011.

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

1. We have audited the attached Balance Sheet of **CSL INFOMEDIA PRIVATE LIMITED** as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 and the Companies (Auditors Report Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors and the information and explanations given to us, none of the Directors is prima-facie disqualified as at March 31, 2011, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
S. MISRA & ASSOCIATES
Chartered Accountants
FRN-004972C
CA SACHINDRA MISRA
Partner
Membership No. - 073776
Jaipur, May 18, 2011

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN
DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011
OF CSL INFOMEDIA PRIVATE LIMITED**

As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditors' 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:

1.
 - 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.
2. The Company does not have any inventories.

3. According to the information and explanations given to us, during the year, the Company has not granted or taken any unsecured loan to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. 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.
5. 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. 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.
6. In our opinion and 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. The Company Law Board, or Reserve Bank of India, or any Court, or any other Tribunal has passed no order.
7. 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 should be strengthened further so as to match up with the growth of the Company.
8. 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.
9.
 - a) 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) We have been informed that 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.
10. 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.
11. 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. There are no dues to financial institutions or debenture holders.
12. As explained 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.
13. 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.
14. 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.
15. 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.
16. The Company has not raised any term loans during the year.
17. 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 purposes.
18. 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.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money by a public issue, during the year.
21. 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 by the Company, during the year.

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

CA SACHINDRA MISRA
Partner
Membership No. - 073776
Jaipur, May 18, 2011

CSL INFOMEDIA PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

(In Rs.)

	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	50,000,000	100,000
Reserves & Surplus	B	418,492	17,065
Deferred Tax Liability		49,646	10,817
		50,468,138	127,882
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	488,215	67,600
Less: Accumulated Depreciation		22,303	5,554
Net Block		465,912	62,046
Current Assets, Loans & Advances			
Cash and Bank Balances	D	51,201,181	264,441
Other Current Assets	E	1,019,598	20,000
Total Current Assets		52,220,779	284,441
Less: Current Liabilities and Provisions	F	2,235,065	240,622
Net Current Assets		49,985,714	43,819
Preliminary expenses		16,512	22,017
		50,468,138	127,882

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS H

This is the 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
Jaipur, May 18, 2011

SURENDRA KUMAR SURANA

Director

SHUBH KARAN SURANA

Director

CSL INFOMEDIA PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(In Rs.)

	Schedules	As at March 31, 2011	As at March 31, 2010
INCOME			
Income from operations		910,000	200,000
Interest income		1,544,704	-
		2,454,704	200,000
EXPENDITURE			
Manpower Expenses		931,832	135,000
Administrative Expenses	G	941,936	18,073
		1,873,768	153,073
Profit before tax		580,936	46,927
Provision for Dividend & Dividend tax		-	11,545
Provision for Tax		140,680	7,500
Provision for Deferred Tax		38,829	10,817
Profit after tax		401,427	17,065

Balance of profit brought forward	17,065	-
Balance in Profit and Loss Account carried to Balance Sheet	418,492	17,065
EPS- Basic and Diluted	0.21	1.71

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS H

This is the Profit and Loss account referred to in our report of even date.

FOR S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

CA SACHINDRA MISRA

Partner
Membership No. - 073776
Jaipur, May 18, 2011

SURENDRA KUMAR SURANA

Director

SHUBH KARAN SURANA

Director

CSL INFOMEDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(In Rs.)

	Year Ended March 31, 2011	Year Ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax (excluding income from investments)	580,936	46,927
Preliminary exp. written off	5,504	5,504
Depreciation	16,749	5,554
Operating profit before working capital changes	603,189	57,985
Decrease/(Increase) in other current assets	(939,598)	(20,000)
Increase/(Decrease) in current liabilities	1,872,808	218,206
Cash generated from Operations	1,536,399	256,191
Income tax paid	(67,500)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	1,468,899	256,191
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(420,615)	(60,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	(420,615)	(60,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	49,900,000	-
Dividend paid (including dividend tax)	(11,545)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	49,888,455	-
Net Increase/(Decrease) in cash and cash equivalents	50,936,739	196,191
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	264,441	68,250
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	51,201,181	264,441

As per our report of even date.

FOR S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

CA SACHINDRA MISRA

Partner
Membership No. - 073776
Jaipur, May 18, 2011

SURENDRA KUMAR SURANA

Director

SHUBH KARAN SURANA

Director

CSL INFOMEDIA PRIVATE LIMITED
SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

(In Rs.)

	As at March 31, 2011	As at March 31, 2010
SHARE CAPITAL		Schedule A
Authorised Capital		
50,00,000 Equity shares of face value of Rs. 10/- each	50,000,000	500,000
Previous year 50,000 Equity shares of face value of Rs. 10/-each		
Issued, Subscribed and Paid-up		
50,00,000 (previous year 10000) Equity shares of Rs. 10/- each, fully paid-up	50,000,000	100,000
	50,000,000	100,000
RESERVES & SURPLUS		Schedule B
Profit & Loss A/c	418,492	17,065
	418,492	17,065

DEPRECIATION AS PER THE COMPANIES ACT, 1956
SCHEDULE C

Particulars	Gross Block as on April 1, 2010	Additions During 2010-11	Deductions During 2010-11	Gross Block as on March 31, 2011	Deprecia- tion as on April 1, 2010	Deprecia- tion for the year 2010-11	Deprecia- tion adjust ments 2010-11	Deprecia- tion upto March 31, 2011	Net Block as on March 31, 2011	Net Block as on March 31, 2010
Computer	67,600	420,615	-	488,215	5,554	16,749	-	22,303	465,912	62,046
Total	67,600	420,615	-	488,215	5,554	16,749	-	22,303	465,912	62,046

CURRENT ASSETS
(A) CASH AND BANK BALANCES

Cash in hand	2,600	Schedule D
Balances with Scheduled banks		3,500
- in deposit accounts	50,438,947	-
- in current accounts	759,634	260,941
	51,201,181	264,441

(B) OTHER CURRENT ASSETS

Income Tax Refundable 2009-10	12,500	Schedule E
Nitin Mathur	20,000	-
S.S. Patwal	11,000	-
Bharti Airtel Limited	100,000	-
Sunita	139,000	-
Bharti Teleports Limited	435,000	-
Central India Digital Network Pvt. Ltd.	32,428	-
Advance tax 2010-11	60,000	-
Tax Deducted at Source	172,670	20,000
Trade Registration Services	37,000	-
	1,019,598	20,000

CURRENT LIABILITIES AND PROVISIONS

Provision for Audit Fees	14,339	Schedule F
Provision for Dividend & Dividend Tax	-	5,577
Provision for Income Tax	140,680	11,545
Magic Computers	60,000	7,500
Surendra Kumar Surana	5,000	60,000
Shubh Karan Surana	135,000	5,000
Compucom Technologies Pvt. Ltd.	16,000	135,000
Sambhav Infotech Pvt. Ltd.	100,000	16,000
Compucom Foundation	397,227	-
Compucom Software Ltd.	1,366,819	-
	2,235,065	240,622

ADMINISTRATIVE EXPENSES

Electricity and Water Exp.	44,000	Schedule G
Rent	247,000	-

	As at March 31, 2011	As at March 31, 2010
Telephone Exp.	3,600	-
Printing and Stationary	1,306	-
Audit Fees	14,277	5,515
Depreciation	16,749	5,554
Legal & Professional	589,500	1,500
Preliminary Exp. Written off	5,504	5,504
TV channel fees	20,000	-
	941,936	18,073

Significant Accounting Policies and Notes on Accounts

Schedule H

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 except dividend income, which is accounted for on receipt basis and all known expenses and liabilities are provided in full.

2. Income Tax

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

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 confirm to the same with the current financial year.

5. Deferred Taxes

Particulars	As on 31.03.2011	As on 31.03.2010
Opening Balance of Deferred Tax Liability	10,817.00	Nil
Deferred Tax Liability created during the year	38,829.00	10,817.00
Closing Balance of Deferred Tax Liability	49,646.00	10,817.00

6. Related Party Disclosure :

A. List of Related Parties:

(a) Key Management Personnel

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

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

- Compucom Software Limited
- Sambhav Infotech Pvt. Ltd.
- Rishab Infotech Private Limited
- Compucom Technologies Private Limited
- Compucom Foundation
- Compucom (India) Private Limited

B. Transactions with the related parties :
(Rs. in Lacs)

Nature of Transaction	Holding Company		Associates		Key Management Personnel		Enterprise over which key management personnel exercises significant influence	
	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
Services Rendered	-	-	-	-	-	-	9.10	-
Services received	-	-	-	-	-	-	-	-
Purchase of assets	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Rent incurred	0.72	-	-	-	-	-	1.75	-
Rent earned	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	-
Outstanding Balance as on								
31.03.2011-								
Receivables	-	-	-	-	-	-	-	-
Payables	13.67	-	-	-	1.40	-	5.13	-

FOR S. MISRA & ASSOCIATES

Chartered Accountants
FRN-004972C

SURENDRA KUMAR SURANA

Director

CA SACHINDRA MISRA

Partner
Membership No. - 073776
Jaipur, May 18, 2011

SHUBH KARAN SURANA

Director

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

(In terms of Part IV of Schedule VI of Companies Act, 1956)

Registration Number	24240
State Code	17
Balance Sheet Date	March 31, 2011
CAPITAL RAISED DURING THE YEAR	<i>Rupees</i>
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private placement	49,900,000
MOBILIZATION AND DEPLOYMENT OF FUNDS	<i>Rupees</i>
SOURCES OF FUNDS	
Total liabilities	50,468,138
Total assets	50,468,138
Paid-up capital	50,000,000
Reserves and Surplus	418,492
Secured Loans	-
Unsecured loans	-
APPLICATION OF FUNDS	
Net fixed assets	465,912
Investments	-
Net current assets	49,985,714
Miscellaneous expenditure	16,512
PERFORMANCE OF THE COMPANY	
Turnover	2,454,704
Total expenditure	1,873,768
Profit before tax	580,936
Net profit	401,427
Earnings per share	0.21
Dividend (pro-rata) %	-
GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES	
The Company is engaged in media & allied businesses for which no item code has been prescribed	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of Compucom Software Limited will be held on Friday, the day of September 9, 2011 at 12.15 P.M. at “KRISHNA” Auditorium, Compucom Engineering College Compound, in front of Compucom Software Limited Office, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) - 302022, India, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date together with the Auditors' Report and the report of Directors thereon.
2. To declare final Dividend on equity shares for the year 2010-11.
3. To appoint a Director in place of Mr. Ajay Kumar Surana, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Rajeev Sogani, who retires by rotation.
5. To appoint M/s S. Misra & Associates, Chartered Accountants (Registration No: FRN-004972C) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business:

6. APPOINTMENT OF MR. G. L. CHAUDHARY AS A DIRECTOR OF THE COMPANY

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

“RESOLVED THAT Mr. G. L. Chaudhary, who was appointed as an Additional Director of the Company by the Board of Directors under Article 78 of the Articles of Association of the Company w.e.f. August 09, 2011 and who holds office, as such, under the said Article and pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) upto the date of this Annual General Meeting, and who is eligible for appointment under the relevant provisions of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act signifying his intention to propose him as a candidate for the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Jaipur, August 9, 2011

By order of the Board

Registered Office:

IT 14 -15, EPIP, RIICO Industrial Area, Sitapura,
Jaipur (Rajasthan) - 302022, India

CS Sulekha Jangid

Company Secretary & Compliance Officer

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.

2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed for the purpose of the ensuing Annual General Meeting from Thursday, September 8, 2011 to Friday, September 9, 2011 (both days inclusive) for payment of dividend for the Financial Year 2010-2011.
5. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
6. Members are requested to notify their change of address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their ID number and in case of shares held in physical form to the MCS Ltd., F – 65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020, India, who are acting as our Registrar and Share Transfer Agent.
7. Members who hold Shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who held shares in physical form are requested to write their Folio No. in the attendance slip for attending the Meeting.

8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Company's Registrar and Share Transfer Agent, M/s MCS Ltd., for consolidation into single folio.
9. Members may now avail the facility of nomination by nominating in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrar and Share Transfer Agent for the prescribed form.
10. Profiles of the Directors seeking re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this notice.
11. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
12. Members are requested to encash dividend warrants at the earliest as the unclaimed dividend amounts, if any, will be transferred to the "Investor Education and Protection Fund" established by the Central Government, as stipulated under the Companies Act, 1956.
13. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 11.30 A.M. to 11.30 A.M., till the date of Seventeenth Annual General Meeting.
14. Shareholders may visit Company's website: www.compucom.co.in and contact at E-mail: investor@compucom.co.in.
15. Members are requested to bring their personal copy of Annual Report to the Meeting.

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

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

ITEM NO. 6

To broad base the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement, Mr. G.L. Chaudhary was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company w.e.f. August 9, 2011 to hold office till date of ensuing Annual General Meeting.

The Company has received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment to the office of the Director of the Company. Mr. G. L. Chaudhary have thorough experience of more than 30(Thirty) years in the field of Administration and Legal matters.

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

None of the Directors except Mr. G. L. Chaudhary are interested or concerned in the resolution.

ANNEXURE TO THE NOTICE OF 17TH AGM

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors who are proposed to be re-appointed at the ensuing Annual General Meeting to be held on Friday, September 9, 2011:

Brief Resume of Mr. Ajay Kumar Surana:

Mr. Ajay Kumar Surana was born on February 10, 1958. He is an M.Tech (IIT, Delhi) with further specialisation in Computer Science from the New Jersey Institute of Technology, USA. He is a Promoter Director. He has worked with Bell Atlantic as a Software Consultant for many years, as Architect/Developer of their AM/FM/GIS software "BAARS". He has also worked in GTE as Senior Software Designer working on their RDBMS Designs. He has extensive experience in the areas of Client Server, DBMS Technology. In the past few years, he has been concentrating on Internet and E-Commerce segments. He has headed US operation of Compucom group since its inception and is the CEO of ITneer Inc., Atlanta, USA, a wholly owned subsidiary of Compucom Software Limited.

Brief Resume of Mr. G. L. Chaudhary:

Mr. G. L. Chaudhary son of Shri S.D.R. Chaudhary, was born on November 2, 1949. He holds Bachelors Degree in Science with Masters in law. He has been the District and Sessions Judge. He has worked with the Industrial Tribunal, Jaipur as Presiding Officer and was Joint Legal Remembrancer & Secretary in Law Department, Govt. of Rajasthan, Jaipur. He has also been the Registrar (Vigilance) in the Rajasthan High Court and has worked as a Secretary of Rajasthan Legislative Assembly, Jaipur. Mr. Chaudhary has a distinguished service record in the Govt. Sector of more than 30 (thirty) years covering wide range of Administrative and Legal matters.

Jaipur, August 9, 2011

Registered Office:

IT 14 -15, EPIP, RIICO Industrial Area, Sitapura,
Jaipur (Rajasthan) - 302022, India

By order of the Board

CS Sulekha Jangid
Company Secretary &
Compliance Officer

COMPUCOM SOFTWARE LIMITED

Venue: "KRISHNA" Auditorium, Compucom Engineering College Compound, In Front of Compucom Software Limited Office, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) - 302022, India
17th Annual General Meeting on Friday, September 9, 2011

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 17th Annual General Meeting being held on Friday, September 9, 2011 at "KRISHNA" Auditorium, Compucom Engineering College Compound, In Front of Compucom Software Limited Office, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) - 302022, India.

Signature of the shareholder/proxy/
Authorized representative

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

COMPUCOM SOFTWARE LIMITED

Venue: "KRISHNA" Auditorium, Compucom Engineering College Compound, In Front of Compucom Software Limited Office, SP-5, EPIP, RIICO Industrial Area, Sitapura, Jaipur (Rajasthan) - 302022, India
17th Annual General Meeting on Friday, September 9, 2011

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 Friday, September 9, 2011 at 12.15 P.M. and at any adjournment thereof.

Dated this _____ day of _____ 2011.

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

NOTES :

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.



Registered Office: IT 14- 15, EPIP,
RIICO Industrial Area, Sitapura
Jaipur (Rajasthan) -302022, India

E-COMMUNICATION REGISTRATION FORM

(In terms of circulars no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

To
MCS Limited
Unit: Compucom Software Limited,
F-65, 1st Floor, Okhla Industrial Area, Phase- I
New Delhi – 110020, India

Subject : Green Initiative in Corporate Governance

Dear Sir/ Madam,

I agree to receive all communication from the Company in electronic mode. Please register my E-mail ID in your records for sending communication through E-mail.

Folio No. / DP ID & Client ID: _____

Name of Sole/1st Registered Holder: _____

Name of Joint Holder(s): _____

Registered Address: _____

E-mail ID(to be registered): _____

Date: _____

Signature: _____

Important Notes:

- 1) On registration, all the communication will be sent to the E-mail ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the Company **www.compucom.co.in**
- 3) Shareholders are requested to keep the Company/ Depository Participant informed as and when there is any change in the E-mail address.

SHOWCASE



Jan Gyan : Education on Wheels

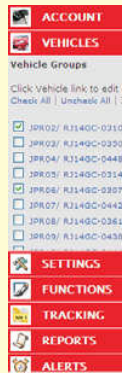


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Compucom Pre School

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Solar Plant @ School



Wind Power



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Microsoft
GOLD CERTIFIED
Partner

ITV/Software Solutions
Mobility Solutions
Networking Infrastructure Solutions



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SOFTWARE LIMITED
We make IT happen



PLAY GROUP • NURSERY • KG • ACTIVITIES

COMPUCOM
COMPUTER EDUCATION

COMPUCOM
gurukul
Journey towards Industry

Compucom jobs **com**
Powered by Compucom Software Limited

INDIA LOCATIONS

Compucom Software Limited

Regd. & Corporate Office :

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

Delhi Office :

5051, IInd Floor, Netaji Subhash Marg,
Daryaganj, New Delhi - 110 002
Tel. : +91-11-43580569, +91-99532-49163

OVERSEAS LOCATIONS

ITneer Inc.

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

Visit us at : www.compucom.co.in