

COMPUCON

SOFTWARE LIMITED

We make IT happen



14th Annual Report

2007-2008

Vision:

To be the globally preferred LEARNING SOLUTION PARTNER, by delivering quality education, MEANT FOR PERFORMANCE ENHANCEMENT, THROUGH world-class PROCESSES

Mission:

"Technology is EMPOWERMENT". IT is an EMPOWERING TECHNOLOGY, WHEN RIGHTLY EMPLOYED, it leads to PRODUCTIVITY IMPROVEMENTS AND PROSPERITY AT individual, ORGANIZATIONAL, SOCIETAL, NATIONAL AND global LEVEL

Ethics:

- FAIRNESS & TRANSPARENCY WITH MEMBERS
- CREATING VALUE THROUGH CONSISTENTLY SUPERIOR PERFORMANCE
- EXCEEDING CUSTOMERS EXPECTATIONS
- ADHERENCE TO SOCIETAL LAWS/RESPONSIBILITY.

Round The Corner Milestones:

NEW ORDERS

1. Compucum Software Ltd. signed the AGREEMENT for providing Computer Education on BOOT basis in 2292 Govt. Schools of Rajasthan in the month of May, 08. This prestigious project has been awarded by Secondary Education Department, GOVERNMENT OF RAJASTHAN. THE CONTRACT VALUE is worth Rs 142 CRORES (APPROXIMATE). Under this project, the Company will provide Computer Education to AROUND ONE million students. THE COMPANY HAS EXTENSIVE plans for becoming a significant player in the field of Indian Educational market, especially taking advantage of the fact that a huge amount of Indian Education Expenditure has been planned by the Govt. In the final stages, Compucum's portfolio will INCREASE TO 3030 schools with the order, wherein the company will be responsible for providing Educational / ICT / IT services
2. Compucum Software Ltd. has been awarded an IT project by Directorate of Education New Delhi, Company has signed the AGREEMENT for executing an IT project on BOO basis in 568 Govt. Schools of Delhi. THE CONTRACT VALUE is worth Rs 15 CRORES (APPROXIMATE) on BOO basis. Company received LETTER OF INTENT (LOI) in this regard on 13th May, 08

SEGMENT WISE COMPOSITION OF REVENUES:

- IT NEER INC.-INCREASE IN GROSS REVENUE FROM SERVICES by 21% AS COMPARED TO LAST YEAR
- LEARNING SOLUTIONS SEGMENT-INCREASE IN PROFIT by MORE THAN 3 TIMES AS COMPARED TO LAST YEAR
- WIND POWER GENERATION- INCREASE IN REVENUE by 9.01%, AS COMPARED TO LAST YEAR
- SOFTWARE SERVICES SEGMENT-REVENUE GENERATED FROM THIS SEGMENT is Rs. 999.24 LACS.
- OTHER INCOME SEGMENT-INCREASE IN REVENUE by 34.84 LACS AS COMPARED TO PREVIOUS YEAR



Contents

Management Information	2
Letter to shareholders	3
Directors Report	4
Auditors Certificate for Compliance of Corporate Governance	8
Corporate Social Responsibility	8
Corporate Governance Report	9
Shareholders Information	13
Management Discussion and Analysis Report	16
Auditors Report	21
Annexure to Auditor's Report	22
Financial Statements	
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Schedules	27
Significant Accounting Policies and Notes to Financial Statements	30
Balance Sheet Abstract and General Business Profile	34
Subsidiary Companies Statement under Section 212 of Companies Act, 1956	34
Auditors Report	35
Consolidated Balance Sheet	36
Consolidated Profit and Loss Account	37
Consolidated Cash Flow Statement	38
Notes on Consolidated Accounts	38
Letter to shareholders	40
Separate Financial Statements of ITneer, Inc, USA	41
Notes to Financial Statements of IT neer, Inc., USA	43
Notice	45
Explanatory Statement	46

Board of Directors**Executive Director**

Surendra Kumar Surana

Promoter Director, Managing Director**Non-Executive Not Independent Directors**

Shubh Karan Surana,

Promoter Director

Ajay Kumar Surana

Promotor Director, President & CEO- ITneer Inc.**Non Executive Independent Directors**

John A. Giunta.

R. P. Udawat

Stephen Carl Viehman

Subodh Bansal

Shiv K Vijay

Rajeev Sogani

Anjila Saxena

Registered Office

IT 14-17, RIICO
Industrial Area, EPIP,
Sitapura, Jaipur

Bankers

The ING Vysya Bank BOB
Axis Bank SBBJ

Auditors

M/s S. Misra & Associates

Chartered Accountants

5-A. Tilak Marg, C-Scheme, Jaipur-302005

Corporate Advisors

V.M& Associates,

Company Secretaries

403, Royal World, S.C. Road, Jaipur

Share Department

MCS Limited Sri Vientatash Bhawan,
W-40, Okhla Industrial Area, Phase-II,
New Delhi- 110020

Subsidiary Company

IT Neer Inc., USA

Listed At

Bombay Stock Exchange, Calcutta Stock Exchange

Legal Advisor

N.M. Choudhry

Advocate, Raj., High Court

Jaipur

Sr. Administrative Officer

Lt. Col. Revail Singh (Retd.)

Company Secretary

Mr. Rakesh Mamnani

Letter to Shareholders

Dear Shareholders,

Standing at a milestone is a pleasure marked with both anticipation and achievement. At this landmark, even as I look forward to a promising future, the sense of having come a long way is inescapable. Our journey so far, has been fraught with challenges, uncertainties, achievements, and celebrations. At every turn, an adventure called opportunity has egged us on.

When I look back at Compucom's humble beginning and compare it with its current position, I can witness that the speed of our growth has been overwhelming. Market developments continuously presented us with innumerable opportunities/challenges and we rose to the occasion each time to proactively address them. We were always successful in spotting opportunities and capitalizing on them.

2007-08 has been a defining year for Compucom in many ways. Company reiterated its commitment to create and enhance shareholder wealth through business leadership and providing services that won the trust and loyalty of our customers while being a responsible corporate citizen. It ended with a commendable all-round performance, which is clearly reflected in the Company's robust growth figures and healthy profitability. I am delighted to share with you the update on your company's excellent performance across all operational and financial parameters. This performance has cemented Compucom's pre-eminent position as the leading enterprise in terms of revenues, profits, net worth, assets and market capitalization.

Your Company is the new age Education Company that is bringing about a paradigm shift in the way learning happens. We are proud of the fact that we have been the pioneers in helping unlock the power of using private capital in developing education infrastructure in India and in providing an opportunity for investors to participate in the "business of education". The strength of Compucom can be distinguished from the project of Rs. 142 Crores which it has achieved recently by outshining some major giants of ICT sector. Through our ICT solutions, we are trying to bridge the digital divide.

The Company has received two new big educational project, recently. **First** is ICT project by Secondary Education Department of Rajasthan for providing Computer Education on BOOT basis in 2292 Govt. Schools of Rajasthan over a period of four years, contract value is worth Rs 142 Crores (approx). Under this project the company will provide Computer Education to around one million students. The company has massive plans for capturing the advantage of Indian Education Expenditure planned through Govt. Promoted PPP model across India fuelled by SSA (Sarva Shiksha Abhiyan) of Govt. of India and the **Second**, an IT project on BOO basis in 568 Govt. schools of Delhi over the period of four year, contract value is Rs 15 crores (approx). The company witnessed the successful completion of its earlier ICT project in 567 Govt Schools of Rajasthan during the year. Compucom has a student base of one million students as of now.

Company intends to leverage this strength in more and more synergistic initiatives, to increase revenue and profits for the company. Company was empanelled for imparting IT literacy for whole Rajasthan state for government employees for 4 years with an annual review clause. We are happy to report that after the annual review it has been extended for another year. The company has to set-up either on its own, or franchisee center in each district to take advantage of this opportunity. More than 1 lac government teachers and employees are expected to trained by the company in next 3 years

Company's 100 % subsidiary, ITneer Inc, USA, has also experienced immense growth; the Total Income from Services has increased by approx. 21 % compared to the previous year. We are on our way to strengthen our global market policies and diversify our business portfolio and to capitalize on significant opportunities. I am pleased to provide herewith the Company's Annual report for the financial year ended 31st March 08. The Company continues its operations in the Software Segment, Learning Solution segment, the wind power generation segment and Treasury Operations. We are continuing with our e-governance, BPO and KPO segments, which are showing healthy results and continue to bear fruits.

For many years now, Growth has been a way of life for Compucom. It can be delayed, but not denied. The growth enablers are in place. Team Compucom is motivated, energized and empowered - for Growth; Growth that is sustainable, scalable and profitable. We are working towards much more than market share - towards retaining customers' faith we have gained, towards shareholders' credibility, towards ROI, towards profit share, towards new frontiers and towards Leadership.

Company is taking active participation in the social initiatives through its non-profit trust Compucom Foundation. The Foundation also runs an AICTE approved Engineering & Management College across the road from CSL Development Center which brings tremendous synergy in the Education segment.

We have been fortunate to have with us an excellent team that has brought an unparalleled level of sincerity. I am grateful to the Board of Directors of COMPUCOM for their unwavering support. I would like to convey my gratitude to the customers, suppliers, bankers, employees and our shareholders for continuing their resolute support and for their belief in our ability to deliver maximum shareholder value. Our outlook for the future continues to be optimistic.

With warm regards,

Surendra K. Surana.

Managing Director



Jaipur, July 31, 2008

Directors' Report to the Members

Your Directors' have the pleasure in presenting their report on the business and operations of the Company for the year ended on March 31st, 2008.

FINANCIAL RESULTS:

	Rs. in lacs	
Particulars	31.03.2008	31.03.2007
Total Income	2000.71	2,382.68
Total Expenses	1174.40	1,577.16
Operating Profit (PBDIT)	826.31	805.52
Interest	4.41	1.52
Depreciation	186.98	199.56
Profit Before Tax	634.92	604.43
Provision for Income-tax including Deferred Tax	149.46	70.46
Net Profit After Tax	485.46	533.97
Appropriations		
Dividend	75.37	150.75
Dividend Tax	12.80	25.61
Transfer to General Reserve	100.00	100.00
Total Appropriations	188.17	276.36
Earning per Share: Basic & Diluted (in Rupees)		
Considering Extraordinary Item	9.66	10.63
Without Considering Extraordinary Item	9.66	10.63

Results of operations - Total revenues earned during the year amounted to Rs. 2000.71 lacs as compared to that of Rs. 2382.68 lacs in the previous financial year. The profit before tax earned has increased from Rs. 604.43 lacs in the previous financial year to Rs.639.35 lacs in the current financial year. During the year under review, the income from operation was Rs.1817.48 lacs compared to Rs. 2234.28 lacs in the previous year. This reflects a decline of Rs. 416.80 lacs, which is mainly due to the decline of income from learning solution segment.

The profit before interest, depreciation and tax during this period is Rs. 826.31 lacs as compared to the previous year PBIDT i.e. Rs 805.52 lacs.

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

Business Review

- (i) **Software Services:** During the year the Company focused on areas where higher margins were available with low risk factors. The revenue generated from the software segment during the FY 2007-08 was Rs. 999.24 lacs as against Rs.1134.34 lacs during the last financial year. This reflects an decrease of 11.91% i. e. Rs. 135.10 lacs.

Profit earned from this segment amounts to Rs. 233.53 lacs as compared to that of Rs. 324.60 lacs during the previous financial year, which has resulted in a decrease of 28.06%. The ratio of segmental profit to segmental revenue has decreased 5.24% from 28.61% to 23.37% as compared to the previous financial year.

During the year JDVVNL and JVVNL have further extended their contract for providing and operating IT enabled call center service at Bikaner and Kota for next six months up to 30th September 2008 and 30th November 2008 respectively.

- (ii) **ITneer Inc., USA:** ITneer Inc. is a wholly owned subsidiary of Compucom Software Limited. It has earned total revenue of US \$ 1383445 during the financial year 2007-08. This reflects an increase of approx 8.01% compared to the previous financial year. The Net profit of the company has decreased from US\$ 110950 to US\$ 43859. The copy of Audited Accounts, together with Independent Auditor's Report, is provided in a separate section of this Annual Report.
- (iii) **Learning Solutions:** The school project at Rajasthan concluded on 30th June, 2007. The company witnessed a successful closure of the project.

During the year under review revenue generated from Learning Solution Business amounts to Rs. 588.79 lacs while the revenue generated in the previous financial year was Rs. 889.47 lacs. Hence there is a decline of Rs. 300.68 lacs i.e.33.80 %.The decline is mainly due to successful completion of the school project in Rajasthan and Chandigarh during the year.

Profit earned from this segment has increased by 311.97 % to Rs.157.25 lacs in comparison to Rs. 38.17 lacs in the previous financial year, which is mainly due to the execution of high profit margin projects like Vocational training

institute, FMS and Grace Project of RajComp. In terms of ratio of segment profit to segment revenue has increased to 22.42% .Profit generated from this segment is 26.71% as compared to 4.29% of the previous financial year.

Although the Company has witnessed the successful completion of the BOOT education-projects in Chandigarh and Rajasthan, it has witnessed bright future prospects by acquiring new projects to fill the void that is created by the completion of these education projects, and is continuing to do so.

The Company has acquired two new big educational project, **First** is an ICT project by Secondary Education Department Rajasthan for providing Computer Education on BOOT basis in 2292 Govt. Schools of Rajasthan over a period of four years, contract value is worth Rs 142 Crores (approx). Under this project the company will provide Computer Education to around one million students. The company has massive plans for capturing the advantage of Indian Education Expenditure planned through Govt. Promoted PPP model across India fueled by SSS (Sarva Shiksha Abhiyan) of Govt. of India and the **Second** is an IT project on BOO basis in 568 Govt. schools of Delhi over the period of four year, contract value is Rs 15 crores (approx).

- (iv) **Wind Power Generation:** The Company had set up 5 (five) Wind Power Generation Plants of 0.6 MW each at Jaisalmer and Sikar, Rajasthan and Tumkur (Karnataka).

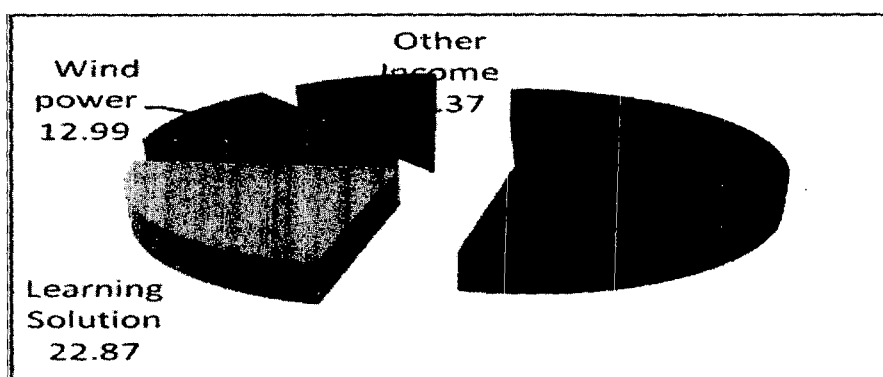
The operation and maintenance of the Wind Power Project has been out-sourced to Enercon India Ltd.

The revenue generated from this segment amounted to Rs. 229.46 lacs in the current year as compared to Rs. 210.48 lacs during the previous year ended on 31st March 07. This reflects an increase of 9.01%, which is mainly due to successful commissioning of windmill at site CK-5 in Karnataka.

Enercon India Ltd. guarantees a minimum generation of 15 lacs units per annum per machine for the first 3 years for Sikar and Jaisalmer and 17 Lacs units per annum per machine for the first year for unit situated at site CK-5, Karnataka. In case of any shortfall in generation Enercon shall compensate the Company for the same. As a result of the guarantee clause, the Company had claimed an amount of Rs. 49.86 lacs from Enercon India Ltd. in lieu of shortfall in generation of wind power as against the guaranteed generation during the current financial year.

- Guarantee of the 2 (two) wind power plants in Jaisalmer ends on 30th April 07.
- Guarantee for 2 (two) wind power plants in Sikar have been extended for a further period of 2 years according to their agreement, because there has been is a shortfall in generation of the guaranteed number of units in the initial 3yrs.
- Guarantee of the wind Power Plant plant in Karnataka will come to an end on 30th April, 2008.

- (v) **Treasury Activities:** Treasury income includes capital gains, dividends from mutual funds and shares, interest on FDRs etc. During the year, the revenue generated from Treasury operations has increase by 34.84 lacs. During the year most of the funds had been invested in debt fund where returns are lower but safe margins are available in comparison to Equity oriented funds.



Employee Stock Options: In 1999 the Company issued 1,00,000 Equity Shares, at par, to Compucom Software Limited Employee Welfare Trust, for benefit of the employees, by creating a stock option plan. These shares have been irrevocably granted to the trust and are to be used for the benefit and welfare of employees. As on 31st March, 2008, the trust has in its ownership 9,46,855 shares which were unutilized.

No fresh Stock Options were issued by the Company, during the Financial Year 2007-08.

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

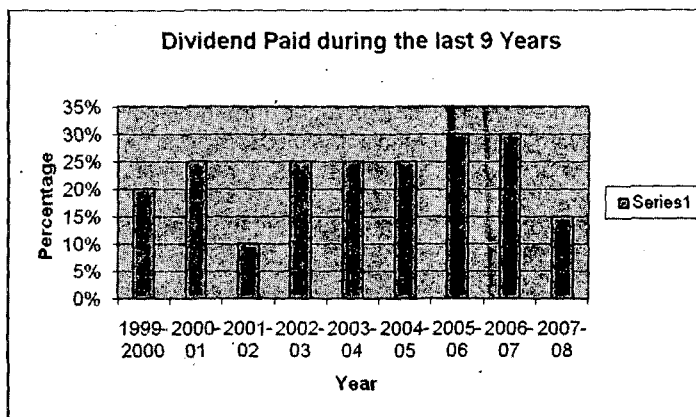
- (a) In preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations and disclosures relating to material departures.
- (b) The relevant accounting policies are applied consistently and the Directors' have made judgments and estimates that are reasonable and prudent so as to give a true and fair view to the state of affairs of the Company as on March 31, 2008 and of the Profit of the Company for the period;

(c) Proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a going concern basis.

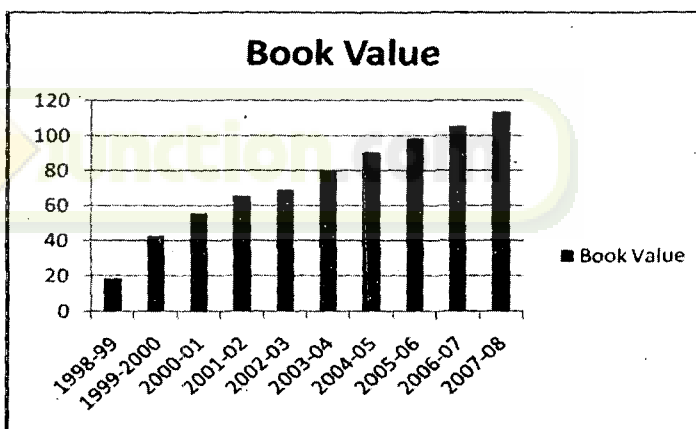
Dividend - The Board of Directors had also declared and distributed an Interim Dividend of 15% @ Rs. 0.30 per share for the financial year ended on 31st March 2008. Record date for purpose of payment of Interim dividend was kept 4th feb 2008. Dividend declared during last 9 years

Financial Year	Dividend Rate
1999-2000	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%



Book Value Per Share : Details of Book Value during the last 9 years is as under:

Financial Year	Book Value Per Share (in Rs.)
1998-99	18.59
1999-2000	42.28
2000-01	55.74
2001-02	65.60
2002-03	69.00
2003-04	79.90
2004-05	90.79
2005-06	98.73
2006-07	105.89
2007-08	113.97



Fixed Deposits - During the financial year 2007-08, your Company has not accepted any fixed deposits falling within the definition of Section 58 A of Companies Act, 1956.

Directors' - In accordance with the provisions of Articles of Association of your company, Mr. R.P Udhawat and Mr. Shiv K. Vijay retires by rotation..

Auditors and Auditors' Report - S. Misra & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed. Accordingly, the said Auditors are proposed to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting.

Sub-division of Shares - The Company has Sub-divided its Equity Share Capital from 1 (one) Equity Share of Rs.10/- (Rupees Ten) each, into 5 (five) Equity Shares of Rs.2 (Rupees Two) each in Financial year 2007-08 and also has done the necessary amendments to the Capital Clause of the Memorandum of Association of the Company, and necessary resolution had been passed in previous Annual General Meeting.

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') Rule, 1988 are given in the Annexure A

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

Human Resource Management 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 in 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 Company, certified by Det Norske Veritas (DNV). These norms 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. We have been maintaining ISO 9001 certification since 1999. This Year Company is pursuing for CMMI level-3 certification which is to be accomplished it by September 30th 2008. Compucum would be among the very few Companies in Rajasthan to have achieved this level.

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.

Acknowledgments - The Director's sincerely appreciates the contributions made by all employees, associates and business partners who have contributed towards the success of the Company. The Directors' are also thankful for the co-operation, 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. The Directors' would also like to acknowledge the continuous support of the Company's shareholders.

For and on behalf of the Board

Shubh K Surana
Chairman

Surendra K Surana
Managing Director

Jaipur, July 31, 2008

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 operations are not energy intensive and entail low levels of energy consumption. However, the management is cautious about energy wastage and continues to assign top priority to the conservation of energy in all areas of operations. Significant measures are taken to reduce energy consumption by using energy-efficient equipments.

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

- (a) **R & D initiative:** The Company is actively involved in Software Development activities and is continuously improving its business process by research and development for better quality. The Company has laid out training programs to improve and upgrade skills of its employees to keep pace with the changing market scenario. Although, there is no separate R & D department identifiable. The company is undertaking software assignments, which in themselves involve lot of research work, during various phases of software development life cycle. Continual infusion of new technology need research activities during its absorption and usage. Company takes every measure to adopt newer methodologies in the software development business.
- (b) **Specific areas in which R & D carried out by the Company:** Software product development particularly inter-operability of multiple systems. Telecom, CRM, VOIP, Database optimisation are the areas in which company takes research and development activities.
- (c) **Benefits derived as a result of R & D:** Our research labs have been instrumental in building expertise in the areas of software performance solutions, testing and prototype developments. Research and development activities have helped in providing new and better solutions to the customers. Research work has helped in enhancing the technical skills, which is a critical component in software industry.
- (d) **Future plan of action:** There will be continued focus on 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 activities are part of its normal software development process. There is no separate R & D department hence there is no specific capital or recurring R & D expenditure. It is not practicable to identify R & D expenditure out of the total expenditure incurred by the Company.

(ii) Technology absorption, adaptation and innovation:

- (a) **Efforts made towards technology absorption, adaptation and innovation:** The Company puts efforts and focuses on innovation as it is engaged in a business marked with rapid technology changes and obsolescence. This innovation helps the Company to keep pace with these rapid changes. It has plans and policies to adopt new technologies periodically with up-gradation of hardware and software resources.
- (b) **Benefits derived as a result of the above efforts:** They high productivity, quality increased business potential and effective preparedness to take new assignments.

(iii) Foreign Exchange Earnings and Outgo:

- (a) **Activities relating to Exports, initiative taken to increase exports, development of new export market for products 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 in different products and markets.

During the fiscal year 2007-08, the revenue derived from exports activities was Rs. 949.90 lacs. The Company focuses on export projects, which attract higher margins at lower risks. The Company has established marketing arrangements 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. 949,90,119/- Previous year Rs.10,96,57,239/-

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

Other expenses incurred in foreign currency on manpower, administrative and marketing expenses - Rs. 6,18,46,749/- (Previous year Rs.5,88,16,750 /-)

Auditor's 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 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges for the financial year ended on March 31, 2008

The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of clause 49 of the Listing agreements with Stock Exchanges in India.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of 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 the above-mentioned Listing Agreement as per the records of the Company, there were no 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 as to the efficiency with which the management has conducted the affairs of the Company

FOR S.MISRA & ASSOCIATES

Chartered Accountants

Jaipur, July 31, 2008

SACHINDRA MISRA

Partner

Corporate Social Responsibility

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

Your Company believes in being a responsible part of the Community and contributing back to it in every manner. Corporate Social Responsibility (CSR) in COMPUCOM is aligned with its tradition of creating wealth in the community with a twin focus on Education and Society. CSR in COMPUCOM continues around the approach of philanthropy, stakeholder engagement and the use of the Company's core competencies to address societal problems. Volunteering is an integral part of CSR and has attracted around 100 employees at COMPUCOM's office. Compucom creates Environment Awareness in the community, Green Audits to check consumption of paper, water and electricity at COMPUCOM. Other CSR activities of COMPUCOM which were carried out includes involvement in educational causes, sponsoring of sports events, computer training at orphanages, organizing blood donation camps, donating in blind hospitals, providing sponsorship to needy students, donating in "Akshay-