

18th Annual Report 2011-2012

COMPUCOM
SOFTWARE LIMITED

*We make **IT** happen*

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
- PROMOTE HIGH STANDARD OF BUSINESS ETHICS
- CREATING VALUE THROUGH CONSISTENTLY SUPERIOR PERFORMANCE
 - EXCEEDING CUSTOMERS EXPECTATIONS
- ADHERENCE TO SOCIAL LAWS / RESPONSIBILITY.

PROGRESS AT A GLANCE

- MORE THAN 7000 GOVT. SCHOOLS UNDER ICT & IT SERVICES IN SARVA SHIKSHA ABHIYAN
- MORE THAN 2.5 MILLION LEARNERS COVERS ACROSS NORTH INDIA
- PROMINENT PLAYER IN E-GOVERNANCE IN NORTH INDIA
- EXCELLENCE AWARD FOR IT EXPORT, EDUCATION AND E-GOVERNANCE GIVEN BY THE CHIEF MINISTER, GOVT. OF RAJASTHAN ON JANUARY 18, 2012
- LISTED AT NATIONAL STOCK EXCHANGE OF INDIA LTD. (NSE) ON MARCH 2, 2012
- "JAN TV", SATELLITE TV CHANNEL OF COMPUCOM SOFTWARE LIMITED'S SUBSIDIARY CSL INFOMEDIA (P) LTD., WAS LAUNCHED ON MAY 13, 2012.
- 13 YEARS UNINTERRUPTED DIVIDEND PAYMENT AND PROFIT MAKING TRACK RECORD

SEGMENT WISE COMPOSITION OF REVENUES

- ITNEER, INC. - INCREASE IN NET PROFIT BY 84.60% AS COMPARED TO LAST YEAR.
- LEARNING SOLUTION SEGMENT - REVENUE GENERATED FROM THIS SEGMENT IS RS. 6,096.27 LACS
- SOFTWARE & E-GOVERNANCE SERVICES SEGMENT - REVENUE GENERATED FROM THIS SEGMENT IS RS. 695.00 LACS
- WIND POWER GENERATION - REVENUE GENERATED FROM THIS SEGMENT IS RS. 204.05 LACS
- OTHER INCOME SEGMENT - REVENUE GENERATED FROM THIS SEGMENT IS RS. 187.34 LACS



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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

Dr. Anjila Saxena

Rajendra Prasad Udawat

G. L. Chaudhary

Ramesh Chand Jain (Additional Director w.e.f. Aug. 01, 2012)

Company Secretary & Compliance Officer

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

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
National Stock Exchange of India Limited, Mumbai
Calcutta Stock Exchange Association Limited, Kolkata

Letter to Shareholders

Dear Shareholder,

Greetings,

It is a great honour for me to write this letter as CEO & MD of the Compucom Software Limited.

With proud privilege I wish to inform you that despite economic slow down domestically & economic turmoil internationally, your Company has almost maintained top line & bottom line at par with the previous year.

Recently your Company has been awarded ICT project for 336 Govt. Schools at Bihar. Since the Bihar State has been rated as highest growth achiever in India develop story, therefore, venturing into the most developing state will strengthen your Company's growth story in the days to come at national level too.

After securing CALP III Project in the state of Rajasthan for 1000 Schools, now your Company is having about 2.5 million learners covering more than 7000 Schools.

As you all are aware that during the F.Y. 2010-11 Your Company had made strategic investment in the Indian Subsidiary namely CSL Infomedia Pvt. Ltd. which has started a National Satellite TV channel Jan TV with Rajasthan regional focus on May 13, 2012, which will provide a huge platform for Computer Education to at least 25 Lacs potential Students. The other channel Jan TV Plus is also operationalized.

A very comfortable liquidity position of the Company will motivate us to look for viable / vibrant acquisitions.

The equity shares of your Company has now been listed at National Stock Exchange of India Ltd. (NSE) on March 2, 2012.

Since the rays of hope of development has started at USA hence it is expected that revenue contribution from USA will further increase in the days to come.

I do not hesitate in intimating you about slow implementation of Pre School business and Job portal for blue collared workers, because of the implementation of MNREGA the rural population preferred to stay at their Villages therefore the Job Portal / Exchange Activity has been put on back burner. Likewise other related Business relating to Educational Accessories, Publication, Brick and Mortar budgeted K12 Schools and Pre-Schools activities have not been implemented due to underline recessionary feeling and stagflation your Company has not ventured into these activities in the F.Y. 2011-12.

We all know that there is no shortcut to success. It comes with lots of hard work, determination and personal sacrifice. Today we have the right structure and Leadership in place to achieve our strategic goals.

I would like to acknowledge the invaluable guidance & support of the Board of Directors, Shareholders, Central & State Govt. administrations, Educational department, RIICO, Employees, Clients, Vendors, Print & Electronic Media, Stock Exchanges and Bankers who have helped the Company to maintain excellence and strive for growth .

With Warm Regards

Surendra Kumar Surana

Managing Director & CEO

Jaipur

August 01, 2012



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, 2012.

Financial highlights:

(Rs. in Lacs)

The highlights of the financial results for the financial year 2011-2012 are as follows:

Particulars	31.03.2012	31.03.2011
Total Income	7,182.65	7,286.97
Total Expenses	2,962.14	3,138.28
Operating Profit (PBDIT)	4,220.51	4,148.69
Interest	528.30	488.29
Depreciation	2,463.16	2,125.71
Profit before Tax	1,229.05	1,534.69
Provision for Income Tax including Deferred Tax	119.92	331.87
Net Profit after Tax	1,109.13	1,202.82
Appropriation		
Dividend	237.38	237.38
Dividend Tax	38.50	39.42
Transfer to General Reserve	100.00	100.00
Total Appropriations	375.88	376.80
Earning per Share: Basic and Diluted (in Rs.)		
Considering Extraordinary Items	1.40	1.56
Without Considering Extraordinary Items	1.40	1.56

Results of operations : Total revenues earned during the year amounted to Rs. 7,182.65 Lacs compared to that of Rs. 7,286.97 Lacs in the previous Financial Year. The profit before tax has Decreased from Rs. 1,534.69 Lacs in the previous financial year to Rs. 1,229.05 Lacs in the current financial year. During the year under review, the income from operations was Rs. 6,995.32 Lacs compared to Rs. 7,102.49 Lacs in the previous financial year. This reflects decrease of Rs.107.17 Lacs, which is mainly due to the decrease in income from learning solution business segment.

The profit before interest, depreciation and tax during this period is Rs. 4,220.51 Lacs as compared to the previous financial year PBDIT i.e. Rs.4,148.69 Lacs.

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

Business Review

(1) Learning Solutions:

During this year revenue from this segment amounted to Rs. 6,096.27 Lacs against the last year revenue of Rs.6,107.62 Lacs which shows a decrease in revenue by Rs.11.35 Lacs i.e. 0.19%.

Learning Solution Segment mainly comprises ICT Phase I, ICT Phase II, ICT Bihar, Delhi School Project, CALP I, CALP II. The Company has total 6418 Govt. Schools and 2 million learners under its educational Umbrella. The Company has so far successfully implemented various educational projects viz. ICT Phase-I worth Rs. 141 Crores involving 2292 Govt. Higher Secondary Schools, ICT Phase II worth Rs. 77.77 Crores involving 1550 Govt. Higher Secondary Schools, Delhi School project worth Rs. 14.82 Crores involving 568 schools. Out of these projects, the ICT Phase I and Delhi Project got completed in June 2012. However the Govt. of Rajasthan has extended ICT Phase I project for further 1 year i.e. upto June 30, 2013. During the year 2012 the company has bagged one more project of ICT from Govt. of Bihar worth Rs. 46.71 Crores involving 336 Schools. Further the company has successfully implemented CALP-I and CALP-II projects in 836 Primary Schools each worth RS. 10.68 Crores and Rs. 10.41 Crores respectively. All the above projects are running successfully.

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*).

(2) Software & E-Governance Services:

During the year, the Company focused on the areas where higher margin was available with low risk factors. The revenue generated from this segment during the Financial Year 2011-12 was Rs. 695.00 Lacs as against Rs. 804.04 Lacs during the last Financial Year. This reflects a decrease of 13.56 % i.e. Rs. 109.04 Lacs due to lower spending by the Govt. Deptt.& fear of recession.

Profit earned from this segment amounts to Rs. 246.93 Lacs as compared to that of Rs. 358.52 Lacs during the previous Financial Year, which has resulted a decrease of 31.13%. The ratio of the segmental profit to the segmental revenue has decreased by 9.07% from 44.59% to 35.52% as compared to the previous Financial Year.

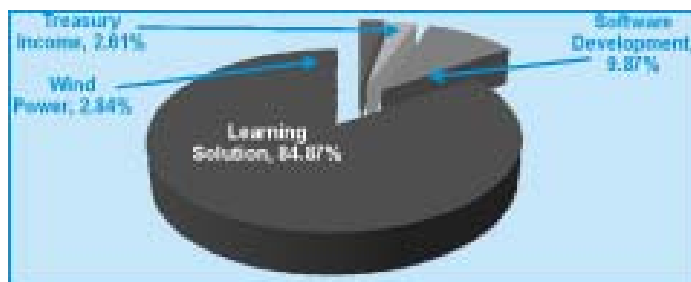
Your Company has been awarded the contract by JdVVNL for "Providing Manpower for Operation of Customer Care Center under R-APDRP at Jodhpur" for 3 years which has valuation of Rs. 3.02 Crores approx. We have started the operations under this project w.e.f. January 2012. The JVVNL project for Jaipur and Kota cities, which expired on April 30, 2012 has been extended by the department for further 1 year i.e. up to April 30, 2013. JVVNL has also given an increase of 18% on the overall rates for executing this project for this extended period of 1 year. Under this project your Company has to provide the call center, fault rectification and CSC (Customer Service Centre) services and we are pleased to announce that we are successfully running the project. The project with JdVVNL for providing IT enabled call center services at Bikaner City has been successfully completed in February 2012.

(3) Wind Power Generation:

The Company had set up two wind power generation plants of 1.20 MW at Jaisalmer (Rajasthan), two at Sikar (Rajasthan) of 1.20 MW & One Plant at Krishna (Andhra Pradesh) of 0.8 MW. Total wind power generation capacity is 3.2 MW. The operation and maintenance of all these wind power project has been out-sourced to M/s Enercon India Ltd.. During the year revenue generated from this segment amounted to Rs.204.05 Lacs in the current year as compared to Rs. 190.83 Lacs during the previous year ended on March 31, 2011. which shows an increase in the revenue by Rs. 13.22 Lacs i.e. 6.93%.

(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. 2.86 Lacs mainly due to increase in interest income on FDRs. During the year most of the funds was invested in FDRs, where returns are lower but safe in comparison to equity-oriented funds.



(5) Subsidiary Companies: The Company has two subsidiary Companies:

- (a) **ITneer, Inc.** is a wholly owned subsidiary Company of Compucom Software Limited. It has earned total revenue of US\$ 6,72,121 during the Financial Year 2011-12. This reflects an increase of approx 56.85% as compared to the previous Financial Year. The Company has declared a net profit of US\$ 11,866 as compared to the Profit of US\$ 6,428 in the previous Financial Year. The copy of the audited accounts, together with the Independent Auditor's Report, is provided in a separate section of this Annual Report.
- (b) **CSL Infomedia Pvt. Ltd.** is another subsidiary Company of Compucom Software Limited. It has earned total revenue of Rs. 45.73 Lacs during the Financial Year 2011-12. The Company is mainly operating multimedia, Content Development and Education TV Segment. The copy of the audited accounts together with the Independent Auditor's 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, 2012 the Trust has the ownership of 30,18,579 unutilized shares. During the Financial Year 2011-12, 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:

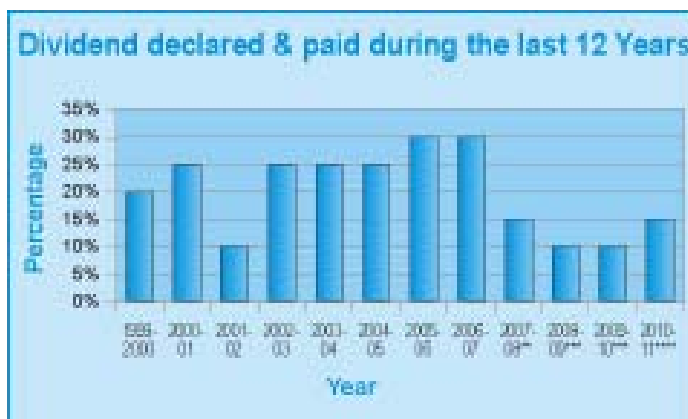
- (a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations and disclosures relating to material departures.
- (b) The relevant accounting policies are applied consistently and the directors have made judgements and estimates 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, 2012 and of the profit of the Company for the period.
- (c) Proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

Dividend :

Keeping the very good financial position of the Company & maintaining continuous reward to its shareholders, your Directors are pleased to recommend a dividend @15% i.e. Rs. 0.30/- per Equity share of Rs. 2/- each for the Financial Year 2011-12, subject to approval of the shareholders at the ensuing Annual General Meeting,

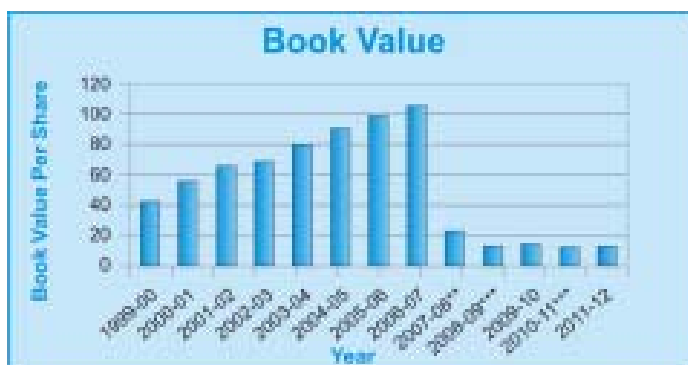
Dividend declared & paid during last 12 (Twelve) years

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



Book Value Per Share: Details of book value during the last 13 (Thirteen) years are 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
2011-2012	7,91,25,188	2	12.97



**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 2011-12, your Company has not accepted any fixed deposits nor renewed any deposit, falling within the definition of Section 58A of the Companies Act, 1956.

Awards & Achievement :

During the Financial year 2011-12, your Company has been honoured by the Govt. of Rajasthan. The Chief Minister, Govt. of Rajasthan has conferred Excellence award for IT Export, Education and E-Governance. The award was given on January 18, 2012.

Inauguration of Jan TV –A Satellite TV Channel :

“Jan TV”, Satellite TV channel of Compucom Software Limited’s subsidiary Company CSL Infomedia (P) Ltd., was inaugurated by **Shri Ashok Gehlot, Chief Minister of Rajasthan** on May 13, 2012.

On this occasion, Chief Minister praised the efforts of Compucom, to bring innovations in education sector. He wished that Jan TV would become vehicle of transformation in Education, Employment, Entertainment and News.

Elaborating about plans for Jan TV, **Director of CSL Infomedia, Shri S.K. Surana** said that Jan TV will have **2 Million Eye Balls** for which constructive programs like Computer Classes, Campus News, Employment Opportunities, Satellite Education, would provide value additions in the life of people of rural India.

Other Dignitaries who graced the occasion were **Shri. Jitendra Singh (Minister of Information and Public Relations, Govt. of Rajasthan), Smt. Naseem Akhthar Insaaf (State Minister of Education, Govt. of Rajasthan) and Shri Ghanshyam Tiwari (Deputy Leader-Opposition and Ex. Education Minister, Govt. of Rajasthan)**

Besides this, Officials from various Govt. Departments, RIICO, Journalists, Educationists and Artists were present.

Jan TV is available across India on Reliance Big TV DTH on channel no. 422 and BSNL IPTV Channel No. 174. It is also available with local cable operators who have signed-up with the Company and across the globe through its portal www.jantv.in.

Jan TV will use satellite technology to augment its Educational initiatives and focus on Employment Generation and Skill Development areas specially targeting Rural and Semi-urban Population.

Company also plans to cater needs of Agricultural, Healthcare and Tourism programs to cover wider section of society through its TV Channel.

Compucom Software Limited, apart from IT Software, Education, E-Governance is working towards establishing its strong mark in Satellite Education, Media Services, Non-Conventional Energy and Tutorial Services.

Board of Directors :

In accordance with the Companies Act, 1956 ("the Act") and Articles of Association of your Company, Mr. Ramesh Chand Jain was appointed as an Additional Director in the Board Meeting held on August 1, 2012. The Board recommends his appointment as a regular Independent Director of the Company, liable to retire by rotation.

Dr. Anjila Saxena and Mr. Rajendra Prasad Udawat, Directors of the Company are liable to retire by rotation. The Board places on record their valuable contribution made by them during their tenure as an Independent Director of the Company.

Listing of Equity Shares at NSE :

During the Financial Year 11-12, the Equity shares of Compucom Software Limited have been admitted for trading at National Stock Exchange of India Limited (NSE) w.e.f. March 2, 2012.

The NSE symbol is: COMPUSOFT & Series is : EQ.

Forfeiture of Warrants :

During the year 2010-11 the Company had issued Twenty Five Lacs (25,00,000) convertible warrants to Promoter Group Company (Compucom Technologies Private Limited), which have been forfeited on May 3, 2012 due to non exercising the option for conversion & the application money of Rs. 1,58,50,000/- (Rupees One Crore Fifty Eight Lacs & Fifty Thousand) deposited by Compucom Technologies Private Limited at time of allotment of warrants, forfeited and transferred to Capital Reserve.

Auditors and Auditors' Report :

M/s S.Misra & Associates, Chartered Accountants, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if reappointed. The Board of Directors in its meeting held on August 1, 2012 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 and Outgo :

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

Particulars of Employees :

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

Human Resource Management 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 operation.

Corporate Governance :

A report on Corporate Governance, along with a certificate from auditors of the Company, regarding the Compliance of condition of Corporate Governance, as also the Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement are annexed to this report.

Secretarial Compliance Report :

As a measure of good corporate governance practice, the Board of Directors of the Company had appointed V.M. & Associates,

Company Secretaries, to conduct secretarial audit on compliances of the Company. The Secretarial Compliance Report for the financial year ended on March 31, 2012 is provided in the annual report.

Acknowledgement :

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

For and on behalf of the Board

Surendra Kumar Surana
Managing Director & CEO

Shubh Karan Surana
Director

Jaipur
August 1, 2012

Annexure 'A' to the Directors' Report

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

Conservation of Energy :

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

- ◆ Incorporating new technologies in the air-conditioning systems in upcoming facilities to optimize power conservation.
- ◆ Identification and replacement of low-efficient machinery (AC) in a phased manner.
- ◆ Identification and replacement of outdated and low efficient UPS systems in a phased manner.
- ◆ Conducting continuous energy-conservation awareness and training sessions for operational personnel.

(i) Research & Development (R&D)

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

(b) Specific areas in which R & D carried out by the Company :

Software products development, inter-operability of multiple operating systems, telecom, CRM, VOIP, E-Governance are the areas in which Company performs research and development activities.

(c) Benefits derived as a result of R & D :

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

(d) Future plan of action :

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

(e) Expenditure on R & D :

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

(ii) Technology absorption, adaptation and innovation :

The Company realizes that in order to stay competitive and avoid obsolescence, it 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