

# 19<sup>th</sup>

## Annual Report 2012-2013

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

# COMPUCOM

## SOFTWARE LIMITED

*We make IT happen*

### OUR VISION

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

### OUR MISSION

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

### OUR ETHICS

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

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## Corporate Information

### BOARD OF DIRECTORS

**Surendra Kumar Surana**

Managing Director & CEO

**Shubh Karan Surana**

Non-Executive Director & Non- Independent Director

**Ajay Kumar Surana**

Non-Executive Director & Non- Independent Director

**Stephen Carl Viehman**

Independent Director & Non-Executive Director

**G. L. Chaudhary**

Independent Director & Non-Executive Director

**Ramesh Chand Jain**

Independent Director & Non-Executive Director

**Rajendra Prasad Udawat**

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

### SENIOR MANAGEMENT

**Vishnu Bargouti**

Chief Financial Officer

### BOARD COMMITTEES

**Audit Committee**

G. L. Chaudhary (Chairman)  
Shubh Karan Surana  
Ramesh Chand Jain

**Remuneration Committee**

Stephen Carl Viehman (Chairman)  
G. L. Chaudhary  
Shubh Karan Surana

**Shareholders' Grievance Committee**

Ramesh Chand Jain (Chairman)  
Shubh Karan Surana  
G. L. Choudhary

**Swati Jain**

Company Secretary & Compliance Officer

### STATUTORY 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 Chandra Road,  
Jaipur (Rajasthan)-302001, India

### REGISTRAR & SHARE TRANSFER AGENT

**MCS Limited**

F-65, 1st Floor, Okhla Industrial Area, Phase-1  
New Delhi-110020, India  
Phone No: +91-11-41406149  
Fax: +91-11-41709881  
Email: admin@mcsdel.com

### PRINCIPAL BANKERS



### REGISTERED OFFICE

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

### SUBSIDIARY COMPANIES

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

## **CEO's Communique**

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Dear Shareholders,

Greetings!

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

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

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

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

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

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

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

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

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

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

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

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

With warm regards

**Surendra Kumar Surana**  
Managing Director & CEO

Jaipur  
July 31, 2013





## **NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING**

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

### **ORDINARY BUSINESS:**

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

### **Special Business:**

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

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

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

Jaipur  
July 31, 2013

By order of the Board

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

**(CS Swati Jain)**  
Company Secretary

### **NOTES:**

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

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

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

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

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

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

### **ITEM NO. 6**

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

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

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

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

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

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

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

Jaipur  
July 31, 2013

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

By order of the Board

**(CS Swati Jain)**  
Company Secretary

## Directors' Report to the Members

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

### Financial Results:

(Rs. in Lacs)

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

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

### Results of Operations:

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

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

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

### Business Operations:

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

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

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

#### (2) Learning Solutions:

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

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



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

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

### (3) Wind Power Generation:

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

### (4) Treasury Activities:

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



### (5) Status of Subsidiary Companies

The Company has two subsidiary Companies:

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

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

### Dividend

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

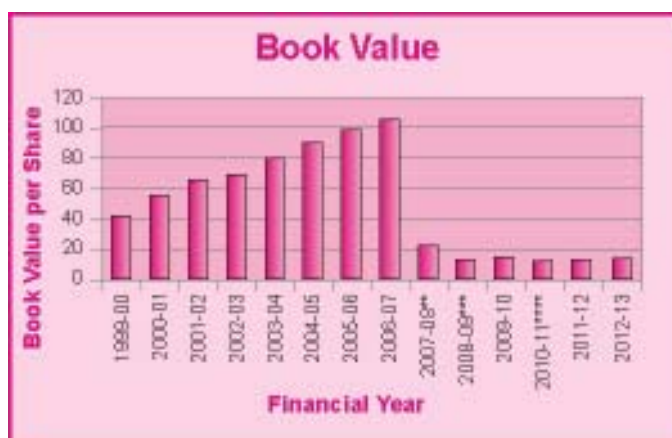
Dividend declared & paid during last 13 (Thirteen) years:

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



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

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



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

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

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

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

### Directors' Responsibility Statement

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

- 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013 and of the profit of the Company for the period.
- 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.

### Fixed Deposits

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

### Board of Directors

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

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

### Auditors and Auditors' Report

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

### Cost Auditor and Cost Audit Report

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