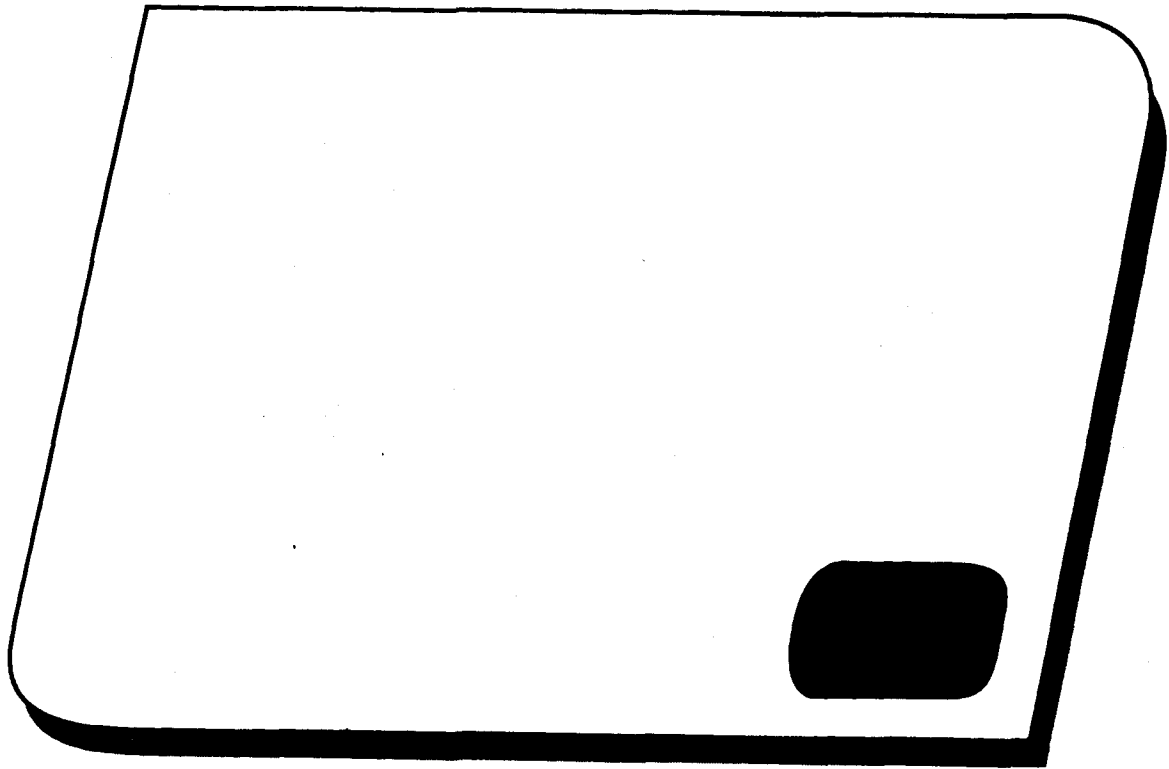


**21st  
ANNUAL REPORT  
2005 - 2006**



***COMPUTER POINT LTD.***

- 1. BOARD OF DIRECTORS** : **MR. RAJESH GUPTA - Director**  
**MR. S. KUMAR - Director**  
**MR. J. KUMAR - Director**
- 2. COMPANY SECRETARY** : **MR. J. TIWARI**
- 3. AUDITORS** : **RAJESH DUGGAR & CO.**  
**Chartered Accountants**  
**Kolkata**
- 4. SOLICITORS** : **B.K. JAIN & CO.**  
**SOLICITORS & ADVOCATES**  
**KOLKATA**
- 5. BANKER** : **ABN AMRO BANK**
- 6. REGISTERED OFFICE** : **B – 1523 Shastri Nagar, 1st Floor**  
**Delhi - 110052**
- 7. REGISTRARS & SHARE TRANSFER AGENT :** **M/s. S. K. COMPUTER**  
**34/1A, Sudhir Chatterjee Street**  
**Kolkata-700 006**

**NOTICE  
TO THE MEMBERS OF COMPUTER POINT LTD.**

NOTICE is hereby given that the 21st Annual General Meeting of M/s. **COMPUTER POINT LTD.** will held on Wednesday 27th December, 2006 at 9.30 A.M. at A- 1/288, Safdarjung Enclave, New Delhi 110029 to transact the following business :-

**ORDINARY BUSINESS :-**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2006 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in Place of Mr.J.Kumar who retires by rotation & being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS :-**

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

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any amendment there at or re-enactment thereof) (herein after referred to as 'the Act') and subject to the enabling provisions of the Memorandum of Association of the company, the Listing Agreements entered into by the company with the stock exchanges where the Shares of the company are listed and in accordance with the applicable guidelines issued by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), Government of India (GOI) or any other relevant Authority and Clarification thereon issued from time to time, if any, and subject to all such Statutory, Regulatory and Government approvals, permissions and Sanctions as may be necessary and subject to such condition and modification as may be prescribed or imposed by any one of them, while granting such approval, permission or sanctions, which may be agreed to by the Board of Directors or any Committee thereof (herein after referred to as 'the Board'), the consent of the Company be and is hereby accorded to the Board to create, issue and allot, in one or more tranches, and upon such terms and conditions the Board may deem as appropriate, by way of preferential allotment, not exceeding in the aggregate, 30,00,000 Equity Shares of Rs 10/- each for Cash at par and an aggregate of not exceeding 30,00,000 Convertible warrants carrying a right of options to be exercisable within 18 months from the date of allotment thereof for conversion of each warrant into one Equity Shares of Rs 10/- each for Cash at par, ranking pari-passu in all respects including Dividend entitlement, with the existing equity shares of the company as on the date of the respective allotments, the issue price of the said new equity shares being determined with reference to the relevant date being 27th November, 2006, as per the SEBI (Discloser & Investors Protection) guideline 2000 for Preferential Issue, to the investors mentioned in the following table up to the number of shares and convertible warrants mentioned against each name and on such other terms and conditions as the Board may deem appropriate in its absolute discretion.

**NON PROMOTERS**

<b><u>Serial No</u></b>	<b><u>Investor/Entity</u></b>	<b><u>No. of Securities Eq. Shares / Warrants</u></b>
1.	Jai Software & Systems Pvt.Ltd.	10,00,000 / 10,00,000
2.	Jai Technology Pvt.Ltd.	10,00,000 / 10,00,000
3.	S.S.Homes Private Ltd.	10,00,000 / 10,00,000

The aggregate No. of equity shares/warrants to be subscribed to by the persons as above shall not exceed 60,00,000. Equity shares of Rs. 10/- each after exercising the option for conversion of warrants and allotment of shares thereon.

**RESOLVED FURTHER that:**

(A) The relevant date for the pricing of the shares in accordance with the SEBI (Discloser & Investor Protection) guidelines 2000, be fixed as 27th November 2006 being the 30th day prior to the date on which the meeting of the shareholders will be held i.e. 27th December 2006, in terms of Section 81(1A) of the Act, to consider the proposed preferential issue.

- (B) Options as above may be offered to the intending subscribers, by way of convertible warrants which would be convertible into & exchangeable with equity shares of Rs 10/- each of the company at a price of Rs.10/- (Rupees Ten only) per share determined as per SEBI guidelines on preferential issue.
- (C) The issue or subscription price of equity shares arising out of or exchanged against such convertible warrants shall be at par i.e. Rs 10/- per shares.
- (D) On allotment of the convertible warrants the allottees shall be liable to pay Rs 1/- (Rupees one) per share as 'up-front' being not less than 10% of the price fixed for the shares arising out of or exchanged with such convertible warrants. The amount so collected shall be adjusted against the subscription payable subsequently on exercising the options. The holder of the convertible warrants shall, before the date of respective conversion, pay the balance 90% of the consideration towards subscriptions to equity shares.

In case the allottee of the convertible warrants subsequently decides not to exercise the option to exchange into shares, the upfront payment made by him shall stand forfeited. The options attached to the convertible warrants shall not be transferred or otherwise disposed off to any other person/third party.

- (E) The Board be and is hereby authorized to decide and approve the other terms and conditions of the Issue of equity shares and right of options to be attached to warrants to be allotted and also shall be entitled to vary modify or alter any of the terms and conditions, including the issue price on a higher side than the one mentioned above, as it may deem fit and expedient, without being required to seek any further consent or approval of the company in a general meeting.
- (F) The offer for issue and allotment of the aforesaid shares shall be made at such time or times as the Board may decide in its absolute discretion.
- (G) The Board be and is hereby authorized to delegate all or any of the powers herein transferred by the resolution to any director or directors or to any committee of directors of the company to give effect to the above resolutions.

RESOLVED further that for giving effect to this resolution, the Board be and is hereby authorized to take such steps and do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this resolution and to settle any question and remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the shares and utilization of the issue proceeds of the shares, to prescribe the forms of application, enter into any agreements or other instruments and to take such actions or give such directives as they may consider necessary or desirable and to obtain any approval, permissions, and sanction which may be necessary or desirable as they may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any amendments, modification, variations and alteration as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf."

**1. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.**

"RESOLVED that pursuant to section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized capital of the company be and is hereby increased from Rs 12,60,00,000/- (Rupees Twelve Crore Sixty Lacs) divided into 1,26,00,000(One Crore Twenty Six Lacks) equity shares of Rs 10/- (Rupees Ten) each to Rs 15,10,00,000(Rupees Fifteen Crore Ten Lacks) divided into 1,51,00,000 (One Hundred Fifty One Lacks) equity shares of Rs 10/- each by creations of further 25,00,000( Twenty Five Lacks) equity shares of Rs 10/- each."

"RESOLVED further that pursuant to section 16 and other applicable provisions of the companies Act, 1956, the existing clause v of the Memorandum of association of the company be and is hereby amended accordingly to incorporate the aforesaid increased Capital."

Date: 15th November, 2006  
Place: Delhi

By Order of the Board  
**R.Gupta**  
Director

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**NOTES:**

1. A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy/proxies to attend and vote in his/her stead and a proxy need not be a member.
2. A proxy to be effective should reach the registered office of the Company not later than 48 hours before the meeting.
3. An explanatory statement pursuant to sec. 173 (2) of the Companies Act, 1956 is Annexed hereto.
4. The Register of the members and Share Transfer Books of the Company shall remain closed from 21st December, 2006 to 27th December, 2006 both days inclusive.
5. Members are requested to notify any change in their mailing address forthwith.
6. Members who are holding Shares in identical order of names and address in more than one account are requested to intimate the Company, the Ledger Folios of such accounts with Share Certificate to enable the Company to consolidate their holding into one account. The Share certificate will be duly returned to the member after making necessary endorsements thereon.
7. Members desiring any information on the accounts at the Annual General Meeting may kindly write to company at least 7 days in advance, so as to enable the Company to keep the information ready.
8. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.
9. Members who hold shares in Dematerialized Form are requested to bring their Client ID & DP ID Numbers for easy identification for attendance at the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 SETTING OUT ALL MATERIAL FACTS RELATING TO ITEMS OF SPECIAL BUSINESS:**

[Item no: 4]

It is proposed that the proceeds of further issue and allotment of shares will be utilized partly for liquidating the Secured Term loans with a view to reduce cost of financing and remaining balance for setting up green field projects in conjunction with various Universities for imparting specially designed IT courses.

Accordingly, your directors in their meeting held on 7th November 2006 have proposed that subject to approval of the members in a general meeting and such other requisite statutory approval, consents and sanction, and subject to negotiations and execution of appropriate legal documentations and fulfillments of the conditions mentioned therein, to offer for subscription by way of Preferential Allotment of upto but not exceeding 30,00,000 Equity Shares as Rs 10/- each of the company to the entities named in the resolution under item no 4 in one or more trenches, at par, for an aggregate value of not exceeding Rs.3,00,00,000/-. The special resolution U/S 81 (1A) of the Companies Act, 1956 has been proposed in view of the fact that the shares would be offered to person who may or may not be exiting shareholders.

The pricing of the shares to be offered has been arrived at as per the SEBI (disclosures & Investors / protection) Guideline 2000, for preferential issue and that the 'relevant date' for this purpose has been taken as 30 days prior to the date on which the General meeting for approval of the regulation U/S 81(1A) of the Act to be held on 27/12/2006 and the Relevant date being 27/11/2006. The acquisition / allotment of share by/ to the financial investors pursuant to this resolution is being made independently of the acquisition by/ allotment to the Promoter and Promotes not acting in concert with each other or with any other person in relation to the proposed acquisition of shares of the company.

The Board considers and believes that the proposed offer to the persons stated in the resolution will be in the best interest of the company and its members. Please refer below to the information as required under clause 13-1A of the SEBI guidelines 2000 for preferential issue. The shares to be allotted as above inclusive of the shares to be allotted on exercising the option at a later date shall rank pari-passu in all respect and shall carry the same rights, including dividend as the existing equity shares.

The consummation of the proposed investment is subject to fulfillment and agreement to such terms and condition as may be mutually agreeable approval to both the company and these investment subject to approval from any Government / or regulation authorities / investment committee of these invest or, its if required and / or as applicable. The acquisition / allotment of the share's by / to the financial Investors pursuant to the resolution is being made independently of the Promoter Groups.

### 1. Object of the Issue

The Object of the issue is to utilize the funds available for repayment of the secured creditors to reduce the finance cost and also to finance the new projects of initiating various new courses in conjunction with different Universities.

### 2. Intentions of the Subscribers to the offer :-

The subscribers have intended to subscribe for 30,00,00,000 Equity shares of Rs 10/- each at par as also to 30,00,00,000 Convertible warrants to be exchanged with equal number of equity Shares of Rs 10/- each at per within such date as may be fixed by the board of Director but not later than 18 months from the date of allotment of warrants.

The following entities have conveyed to the company in writing their respective intention to subscribe for the shares / warrants of the company on a preferential / private placement basis as proposed in the Resolution, set out under item no. 4

Sl. No.	Name of the proposed Allottees / Subscribers	Max. no . of Shares / Warrants	Total Share
1.	Jai Software & Systems Pvt.Ltd.	10,00,000 / 10,00,000	20,00,000
2.	Jai Technology Pvt.Ltd.	10,00,000 / 10,00,000	20,00,000
3.	S.S. Homes Pvt.Ltd.	10,00,000 / 10,00,000	20,00,000
		<b>30,00,000 / 30,00,000</b>	<b>60,00,000</b>

### 3. Share holding patterns before and after issue of equity share (including shares resulting from Exercise of options attached to warrants)

	Existing share holding Pre Issue		Post issue share holding (upon conversion of warrants)	
	No of shares	%	No of shares	%
i) Promoters				
a) Indian promoters	5,50,200	6.11	5,50,200	3.67
b) Foreign Promoters	-	-	-	-
Total:-	<u>5,50,200</u>	<u>6.11</u>	<u>5,50,200</u>	<u>3.67</u>
ii) Non Promoters				
a) Banks / Financial Investments	-	-	-	-
b) NRI / OCBs	-	-	-	-
c) Other Bodies Corporate	12, 09,441	13.44	72, 09,441	48.06
d) Public	72, 41,659	80.45	72, 41,659	48.27
Total:-	<u>84,51,100</u>	<u>93.89</u>	<u>1,44,51,100</u>	<u>96.33</u>
Total of i) + ii)	<u>90,01,300</u>	<u>100.00</u>	<u>1,50,01,300</u>	<u>100.00</u>

The proposed preferential allotment will not change the Mgt. Control, Voting rights shall change according to change in share holding pattern mentioned above.

### 4(A). Identity of the Proposed Allottees and the percentage of the Post Preferential issue Capital that may be held by them:

For Equity Share:

- A. Foreign Investor: - NIL
- B. Indian Investor: - (Non Promoter)

Sr. No.	Name of Proposed Allotees and Identity	No of Equity Shares To be Allotted	% of post issue Share hold info
1.	Jai Software & Systems Pvt.Ltd.	20,00,000	13.33
2.	Jai Technology Pvt.Ltd.	20,00,000	13.33
3.	S.S. Homes Pvt.Ltd.	20,00,000	13.33

(The above post issue Shareholding pattern assume that all persons mentioned in the Resolution will participate in the Preferential Issue to the full extent proposed and all Convertible warrants are converted into equity share, failing which the percentage will change accordingly.)

**B. Promoter Group: - NIL**

The above Non Promoter subscribers are all Bodies Corporates.

The aggregate number of equity share to be subscribed is 30,00,000 Shares

The aggregate number of Warrants to be allotted is 30,00,000 which will be exchanged for an

Aggregate no. of 30,00,000 Equity shares.

Section 81 of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be issued/offered to the existing shareholders of the company in the manner laid down in the said section unless shareholders decide otherwise in a general meeting by special resolutions. Accordingly the consent of the shareholders is being sought pursuant to sec 81(1A) and other applicable provisions of the Act and Chapter xiii on preferential issue in SEBI (Disclosure & Investor Protection) guidelines, 2000 and in terms of the provisions of the listing Agreement.

The equity shares to be allotted as above, shall be subject to lock-in for one year and the equity share to be exchanged against the warrants at a later date shall also be subject to lock-in for one year from the date of respective Conversions in accordance with the SEBI guidelines as above.

A copy of Certificate from M/s Rajesh Duggar & Co., Chartered Accountants, Statutory Auditors of the Company certifying that the issue of equity shares/Convertible warrants on Preferential basis is being made in accordance with the requirement of SEBI guidelines for Preferential issue as contained in the Securities and Exchange Board of India (Disclosure & Investor Protection) guideline 2000, shall be placed before the shareholders at the forth coming Annual General Meeting.

None of the Directors of the company is in any way concerned and interested in the resolution. They recommend the resolution for approval in the interest of the company.

Item No.

5. It is proposed be increase the authorised capital of the Company suitably to accommodate issue and Allotment of shares in terms of the Resolution as set out under section No. 4 of the notice. The increase of authorized capital of a Company requires prior approval of the shareholders in a general meeting. The directors recommend the above resolution to be adopted by the member in the forthcoming general meeting in the interest of the Company.

None of the Directors is personally interested or concerned in this regulation.

**Date:** 15th November, 2006  
**Place:** Delhi

By Order of the Board  
**R. Gupta**  
Director

## DIRECTORS'S REPORT

Your directors take pleasure in presenting the 21st Annual Report and the Audited Statement of Accounts for the year ended 30th June, 2006.

The Final result of Company's operation during the year under review and those of the previous year are given below.

## FINANCIAL RESULTS

	<b>For the Year ended 30.06.2006</b>	<b>(Rs. In Lacs) For the year ended 30.06.2005</b>
Turnover	<b>3944.09</b>	4802.81
Less : Total Expenditure	<b>3852.77</b>	4622.72
Profit before Dep.& Int	<b>91.32</b>	180.09
Interest	<b>0.42</b>	-
Depreciation	<b>89.31</b>	128.55
Profit before Tax (PBT)	<b>1.59</b>	51.54
Less : Provision for Tax	-	1.64
Income Tax	-	-
Deferred Fringe Benefit Tax	<b>1.00</b>	49.90
Net Profit after Tax (PAT)	<b>0.59</b>	49.90

## PERFORMANCE :

The gross turnover of the Company was reduced by 18% but continuous monitoring and control Process enabled the total expenditure to be maintained at a moderate level and thereby the profit before tax Could be maintained.

## DIVIDEND

There being no sufficient profit , your Directors regretfully abstained from recommending any dividend for the year.

## MANAGEMENT DISCUSSION & ANALYSIS :

A separate statement is annexed hereto and marked as Annexure AI.

## DEPOSIT :

The company has not accepted or renewed any deposit from the public during the year nor was there any carried forward balance at the end of the year.

## RESPONSIBILITY STATEMENT :

### The Directors confirm that :

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that there reasonable and prudent so as to give a true and fair view of state affairs of the Company as at June 30,2006 and of the Profit & Loss of the Company for said period;
- Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis.



**DIRECTOR :**

Mr. J Kumar, a Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re- appointment. Mr J . Kumar, an energetic young Computer Professional associated with the Company for more than 19 years and is actively engaged in the day management and conduct of Company 's business. His re – appointment will be in the interest of the Company.

**AUDITORS & THEIR REPORT :**

M/s Rajesh Duggar & Co. Chartered Accountants, the Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re – appointment.

The report of the Auditors when read with the notes on Accounts, as incorporated under schedule 18 to the Audited Balance Sheet and Profit & Loss Accounts of the Company, is self- explanatory and needs no further clarification.

**EMPLOYEE PARTICULARS :**

The Company has no employee to whom the provisions under section 217 ( 2A) of the Companies Act, 1956 is applicable.

**CORPORATE GOVERNANCE :**

A separate statement is annexed hereto and marked as Annexure A2.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. :**

The company being not engaged in any manufacturing activities, the information as are required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (disclosures of particulars in the report of the directors), Rules 1988, relating to the conversion of energy, Technology absorption, etc. is not required. During the year Foreign Exchange Earned Rs. NIL and Outgo Rs. NIL.

**ACKNOWLEDGEMENT :**

Your Directors sincerely appreciate the high degree of Professionalism, enthusiasm and hard work of employees at all level during the year. And also appreciates the Co- operations and supports received from all Quarters and specially from the shareholders of the Company.

Place: Delhi

Date : 15th November, 2006

For and on behalf of the Board  
**R. Gupta/ S. Kumar**  
Directors

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**ANNEXURE AI to THE DIRECTORS'S REPORT :****MANAGEMENT DISCUSSION AND ANALYSIS****COMPANY PROFILE:**

The Computer point is one of the Pioneer Institute for Imparting Computer Education in the Company. The Company was established as long back as on 14.09.84 by the Modi Group of Industries and was subsequently taken over by one of the imminent Computer Professional & Educationist Mr. B. L. Jain under whose tutelage, the Company has established its enviable presence in the country.

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

Despite overall recessionary Industrial Atmosphere in the Country, The silver lining of the IT Industry in the country is getting more and more bright every day.

The 21st Century is the era of Electronics and Information Technology and your Company is one of front leader in the Country. It has a wide scope to prosper in this country; the only hurdle in its way to prosperity is the absolute liquidity crunch. The future of the Company is very bright in so far as the Indian IT industries has become global and Computer Point has its own role to play.

**OPPORTUNITY AND THREAT:**

Your Company's products enjoy wide acceptance in various users Industries including widely dispersed Educational Institutions and Universities. Yet in the ever changing corporate and technology scenario, it is always necessary to keep regular vigilance and to maintain a constant pace with Technology developments and to update one's system of operations. The dynamic and energetic infusion in company's management team is capable of utilizing every opportunity for the Company's benefit.

**OUTLOOK :**

Barring a few unforeseen, the Company is confident to maintain its growth rate and once its liquidity problem is solved, it is definite to accelerate with higher and higher quality services to its customers and students.

The funds that will be raised in the proposed preferential allotment will be utilised in liquidating the secured terms loan to boost up the liquidating position and that too is expected to be supplemented by setting up green field projects for specially design IT courses as proposed.

**RISK AND CONCERNS :**

Unregulated entry of small time operators having no or little technology base may tarnish the goodwill of the Indian IT Industry in the International market. The attention of the Central government has already been drawn to such possible threats and the government has already taken necessary regulatory steps to maintain overseas market and International acceptance of Indian supremacy in IT sector.

**RESEARCH AND DEVELOPMENT :**

The Company is in the process of setting up a state-of-art Research System to be manned by widely experienced professionals to develop new and value-added services to cater various Industrial, Academic and Research needs of the country.

**HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATION :**

The company continues to maintain excellent Industrial relation while ensuring development of its Human resources through appropriated training and further educational programs. The Company believes its employees are the real strength of the organization.

**CAUTIONARY STATEMENT:**

Statements made in the Management Discussion and Analysis describing the Companies' objectives, Expectations, or predications may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that influences the Company's operations, include global and domestic supply and demand conditions.

Place: Delhi

Date : 15th November, 2006

For and on behalf of the Board

**R. Gupta/ S. Kumar**  
Directors

## ANNEXURE A2 to THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

The Company believes in total transparency, accountability and equality in management of the affairs of the Company. It envisages highest level of such qualities in all the spheres of its operations, interactions with his Employee, Customers, Bankers, and Government Authority and above all with its stakeholder. The Company is committed to achieve highest standard of Corporate Governance.

### BOARD OF DIRECTORS :

At present the Board of Directors consist of three members, The Board is in the process of being sufficiently broad based with induction of necessary professionals for constituting necessary committees for effective implementation of the code of Corporate Governance as also the requirements of the amended Act.

### (a) COMPOSITION OF THE BOARD :

The Composition and other relevant details of the Board are given below :

Name of Directors	Executive/No – Executive/ Independent	Qualification	No. of Board Meeting Attended	Attendance at last AGM
Mr. R. Gupta	Non- Executive/ Independent	B. Com, PGDCA & Having 14 years Experience in A/c's & Administration	6	Present
Mr. S. Kumar	Non-Executive / Independent	B. Com, LLB Having 24 years Experience in the field Of finance & Corporate Administration	6	Present
Mr. J. Kumar	Non-Executive/ Independent	B. Com., PGDCA having 19 years experience in Mkt. & Services of IT Business	5	Present

### (b) BOARD MEETING :

There had been 7 (seven) Board Meeting since Financial year ended on 30.06.2006.

Date of Board Meeting	No of Directors Present
30.07.2005	3
09.09.2005	2
18.10.2005	2
29.10.2005	2
15.11.2005	2
30.01.2006	3
29.04.2006	3

### (c) BOARD OF PROCEDURES :

The Board of Directors meets from time to time to transact such business in respect of which the attention and sanction of the Board is required. There is a well- laid procedure of sending to all the directors due notice of the meetings accompanied by detailed agenda papers sufficiently in advance . The directors freely express there view and seek clarification on various points concerning the respective business taken up in such meetings. Meetings are held in transparent manner & various decisions taken and resolved in such meetings are duly and correctly implemented without any reservations and are recorded in the minute's book maintained for the purpose. The directors hold their offices strictly in compliance with the provisions of the Companies Act., 1956 and the provisions of the Articles of Association of the company.

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**(d) BOARD COMMITTEES**

Pending further expansion of the Board of Directors, the constitution of necessary Board of Committees like Remuneration Committee etc. have been kept in absence for the time being. The Board itself presently carries the functions of those committees.

The matters relating to Share Transfers etc, are being looked after by a committee of Directors operating under the direct supervision of the Chairman of the Committee Sri J. Kumar.

**(e) AUDIT COMMITTEE**

Pursuant to the provisions under sec. 292A of the Companies Act, 1956 the Board has since constituted an Audit Committee with Sri S. Kumar as its Chairman . The other members of the Committee are all non – Executive Directors and each one of them are well versed in finance matters & Company Laws and Accounts all other Non- Executive Directors of the Company have been included in the Audit Committee. The terms of reference of the Audit Committee Includes :

- a) To consider & receive all financial statements and pre- publication Announcements before the same is placed before a meeting of the Board of Directors.'
- b) To ensure compliance of Internal Control system and actions taken of Internal Audit Report;
- c) To hold periodic discussions with Auditors on the scope and content of Audit;
- d) To consider and review Company's risk management policy;
- e) To appraise Board on the impact of Accounting policies, Audit standards and legislation's;

During the financial year there had been only 3 ( three ) meeting of the Audit Committee where all the Committee members attended.

**(f) SHARETRANSFER COMMITTEE/SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

The Board has constituted a Share Transfer Committee to deal with the requests received for transfer/ transmission/ duplicate issue of share in due Compliance with the provisions of the Companies Act, 1956 and also the listing Agreements. The member of the committee met on 12 occasions. Instead of appointing a separate committee for dealing with the Shareholders/Investors grievance, the same Share Transfer Committee has since been assigned the responsibility of attending to shareholders / In visitors grievance also all valid Transfer requests received by the Company where the same are Concerned with shares in physical mode are duly transferred/ transmitted within 30 days from the date of receipt while in case of requests for dematerialisation, the same are dealt within 15 days from date of receipt.

**GENERAL BODY MEETINGS :**

1. 18th Annual General Meeting held on 29th December, 2003 at 3.00 P.M at 1098, Raja Uggar Sen Bazar Sita Ram, Delhi – 110 006
2. 19th Annual General Meeting held on 23rd December, 2004 at 3.00 P.M at B- 1523, Shastri Nagar, 1st Floor, Delhi – 110 052
3. 20th Annual General Meeting held on 13th December 2005 at 3.00 P.M at B- 1523 Shastri Nagar, 1st Floor, Delhi - 110052

**DISCLOSURES :**

- (a)** Disclosures on materially related party transaction i.e transaction of the Company of material nature, with its promoters, Directors or the managers, their subsidiaries, relatives etc. that may have potential conflict with the interest of the Company, at large :-

The company did not have any related party transactions which may have potential conflict with the Interest of the Company, at large.

- (b)** Details of Non Compliance by the Company penalties & strictures imposed on the Company by the stock exchanges, SEBI or any Statutory Authority, on any matter related to capital markets during the last 3 (three) years :-

The company has duly complied with the requirements on the regulatory authorities on Capital markets and no penalty/strictures was imposed on the Company during the last three years ended on 30.06.2006.

**MEANS OF COMMUNICATION :**

- I) The company does not send its Quarterly / Half yearly results to individual shareholders but publishes the same in Local Newspapers.
- II) Annual Reports and Accounts are regularly dispatched to all individual shareholders by post.

**GENERAL SHAREHOLDERS INFORMATION :**

**(a) ANNUAL GENERAL MEETING :**

Date and Time : 27th December, 2006 at 9.30 A.M .  
 Venue : A – 1/288 Safdarjung Enclave, New Delhi – 110029

**(b) FINANCIAL CALENDER :**

The Company follows July- June as its financial year. The results of every quarter are declared in the month following the quarter.

**(c) DATE OF BOOK CLOSURE :**

From 21st December, 2006 to 27th December, 2006 (both days inclusive)

**(d) DIVIDEND PAYMENT :**

No recommendation for payment of dividend this year.

**(e) LISTING OF STOCK EXCHANGES :**

The share of the company are listed on the following Stock Exchanges

- (1) The Delhi Stock Exchanges Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi- 110 002
- (2) Bombay Stock Exchanges Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

The Company is generally regular in payment of Annual Listing fees to the Stock Exchanges.

Demat ISIN in NSDL / CDSL for equity shares :- INE 607B01012.

**(f) REGISTER & SHARE TRANSFER AGENTS :**

M/s S. K. Computers, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006, Tel No : 033-22194815.

**(g) SHARE TRANSFER SYSTEM :**

Application for transfer of Shares in physical mode are received at the office of the Registrar & Share Transfer Agents. The Committee of the Board of Directors attends to the share transfer formalities at least once in every month depending on the requirements share held in dematerialized form are electronically traded in the Depository and the RTA of the company periodically receives from the Depository, the details of beneficial holding for enabling them to up to date their records and to send all corporate communication, etc. Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

**(h) GENERAL SHAREHOLDERS INFORMATION :**

**(i) INVESTORS GRIEVANCE STATISTICS**

OPENING	NO. OF GRIEVENCE RECEIVED	NO. OF GRIEVENCE RESOLVED	NO. OF GRIEVENCE PENDING
7	27	30	4

**(ii) SHAREHOLDING PATTERN : As on 30th Sep, 2006)**

Category	No. of Shares	Percentage
INDIAN PROMOTERS	70,200	0.78
FOREIGN PROMOTERS	—	—
PERSONS ACTING IN CONCERT	4, 80,000	5.33
BANKS & MUTUAL FUNDS	—	—
NRIs/OCRs	—	—
OTHER BODIES CORPORATE	12, 09,441	13.44
RESIDENT INDIVIDUALS	72, 41,659	80.45
OTHERS	—	—
	<u>90, 01,300</u>	<u>100.00</u>

**(j) STOCK CODE :**

The Delhi Stock Exchanges Association Ltd : - 6047  
Bombay Stock Exchanges Ltd. :- 507833

**(k) DEMATERIALISATION & LIQUIDITY :**

As on 30th sep, 2006 about 93% share have been dematerialized. The shares of the Company are permitted to trade only in dematerialized form from w.e.f. 23.10.2000.

**(l) OUTSTANDING GDRs/ADRs/ WARRANTS or CONVERTIBLE INSTRUMENTS : NIL**

**(m) DISTRIBUTION OF SHARE HOLDINGS AS ON 30TH SEPTEMBER, 2006 :**

Category	No of Shareholders	Percentage	No of Shares	Percentage
Upto 500	4138	65.32	983219	10.92
501-1000	1043	16.46	955202	10.61
1001-2000	500	7.90	836783	9.30
2001-3000	175	2.76	472439	5.26
3001-4000	90	1.42	337056	3.74
4001-5000	126	1.99	612164	6.80
5001-10000	156	2.46	1170960	13.01
10001-50000	91	1.44	1935366	21.50
50001-100000	10	0.16	722872	8.03
100001 and above	06	0.09	975239	10.83
	<u>6335</u>	<u>100.00</u>	<u>9001300</u>	<u>100.00</u>

**STOCK MARKET DATA (BSE)**

High, Low during each month in last financial year on the Bombay Stock Exchange Ltd.

MONTH	HIGH (RS)	LOW (RS)
JULY 2005	13.22	9.26
AUGUST 2005	12.81	9.00
SEPTEMBER 2005	14.40	7.61
OCTOBER 2005	9.75	6.00
NOVEMBER 2005	8.60	6.20
DECEMBER 2005	6.60	5.25
JANUARY 2006	7.70	5.25
FEBRUARY 2006	6.00	4.01
MARCH 2006	4.63	2.51
APRIL 2006	6.50	3.32
MAY 2006	6.10	3.75
JUNE 2006	4.75	2.66

**INVESTORS CORRESPONDANCE ADDRESS :**

**M/S COMPUTER POINT LTD.**  
B – 1523 SHASTRI NAGAR, 1ST FLOOR ,  
DELHI – 110052

For and on behalf of the Board

**Date:** 15th November, 2006  
**Place:** Delhi

**R. Gupta**  
Director

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**AUDITORS' CERTIFICATION ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members of **Computer Point Ltd.**

We have examined the Compliance of Corporate Governance by Computer Point Ltd., for the year Ended on 30th June, 2006, as stipulated under clause 49 of the Listing Agreement of the said Company with stock Exchange.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records, maintained by the Registrar of the Company.

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

For **RAJESH DUGGAR & CO.**  
*Chartered Accountants*

Date : 15th November, 2006  
Place : Kolkata

**(Rajesh Duggar)**  
*Proprietor*  
Membership No. 056175

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## AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **COMPUTER POINT LIMITED** as at 30th June, 2006 and also the Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with the 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 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.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we give in the Annexure a statement on the matters specified in Paragraphs 2 and 3 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 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 purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to our notes under Schedule No. 18 under the head of Accounting Policy & Notes to the Accounts.
  - e. On the basis of the written representations received from the Directors, as on 30th June, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2006 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 along with schedule 'No. '18' (which form integral part of the Balance Sheet as at 30th June, 2006) gives the information required by the Companies Act, 1956 in the manner so required subject to non provision of gratuity on basis of actuarial valuation and non provision of interest on secured loan having the adverse effect on the profit stated for the year and also materially affecting the liability and balance of Profit & Loss account disclosed in the annual accounts:
    - i. in the case of the Balance Sheet of the State of Affairs of the Company as at 30th June, 2006.
    - ii. in the case of the Profit & Loss Account of the Loss of the Company for the year ended on that date.

In terms of our report of even date attached  
For **RAJESH DUGGAR & CO.**  
CHARTERED ACCOUNTANTS

**Dated:** 15th day of November, 2006  
**Place :** Kolkata

**Rajesh Kumar Duggar**  
*Proprietor*  
Membership No. 056175



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**ANNEXURE TO THE AUDITORS' REPORT**  
**(Referred to in Paragraph 1 of our report of even date)**

1. The Company has maintained proper records of fixed assets. However the management has stated that they are in process of developing system software for maintaining the records showing full particulars including quantitative details and situation of Fixed Assets.
2. The Company has purchased new Motor Car during this year, However as stated by the management the physical verification of the assets is in progress during the course of audit and if any material discrepancies are noticed the same will be properly dealt.
3. During the year, in our opinion, no any Fixed Assets has been disposed off by the Company.
4. The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
5. The procedures of physical verification of inventory followed by the Management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
6. The Company is engaged in the trade of computer parts and accessories and owing to the size and nature of business undertaken it is not feasible to maintain the records of each and every item. However the management has stated that in case of high value items records are properly maintained and no material discrepancy were noticed on verification.
7. Subject to our remarks on Inventories (Refer Note No.2) made in Accounting policy and Notes to the accounts, the valuation of stock is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the previous year.
8. As explained by the Management, the Company has not granted any loans secured or unsecured to Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and as such sub-clauses (a) to (d) of Clause 4(iii) of the said order do not applicable to the Company.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of Inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
10. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered.
11. According to the information and explanations given to us and as per our opinion on the evidences we have come across in case of transactions 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 the prevailing market prices at the relevant time.
12. The Company has not accepted any public deposits during the year under consideration, therefore there does not lie any requirement for compliance of any guideline issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
13. The Company has an inhouse internal Audit System commensmate to nature and volume of business.
14. To the best of our knowledge and explanations given to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products dealt by the Company.

15. The extent of availability of records and reliance placed on the internal control system of management and information's furnished to us the company has been generally regular in depositing the dues and no amounts are payable in respect of taxes statutory dues for a period of more than six months from the date they became payable, except as per the details submitted under Note No. 12 of Schedule No. 18.
16. The Company have no accumulated losses on 30th June, 2006 (Prev. Year Rs. Nil) & has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
17. As per the financial statement as on 30th June, 2006 the outstanding amount payable to banks is Rs.314.73 Lacs, out of which Rs. 306.55 Lacs is due for more than five years. However as stated by the management there is already a dialogue going with the bank and the amount payable will not be more than the outstanding as indicated in the Balance Sheet.
18. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
19. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society, therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
20. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities and all investments in securities are held by the Company, in its own name, except to the extent of exemption granted U/s. 49 of the Companies Act, 1956.
21. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
22. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
23. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
24. The Company has not raised any money by public issue during the year.
25. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported during the course of our audit.
26. Other provisions of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 since not being applicable to the Company, hence no comments have been given.

In terms of our report of even date attached  
For **RAJESH DUGGAR & CO.**  
*CHARTERED ACCOUNTANTS*

**Dated:** 15th day of November, 2006  
**Place :** Kolkata

**Rajesh Kumar Duggar**  
*Proprietor*  
Membership No. 056175

**COMPUTER POINT LIMITED**  
**BALANCE SHEET AS AT 30TH JUNE, 2006**

SOURCES OF FUNDS :	Schedule	As at 30th June, 2006 (Rs.)	Rs. In Lacs As at 30th June, 2005 (Rs.)
<b>SHAREHOLDERS FUND :</b>			
Share Capital	<b>1</b>	900.13	900.13
Reserve & Surplus	<b>2</b>	505.69	505.10
<b>LOAN FUNDS</b>			
Secured Loan	<b>3</b>	314.23	306.55
<b>DEFERRED TAX</b>	<b>4</b>	2.43	-
		<u>1,722.48</u>	<u>1,711.78</u>
<b>APPLICATION OF FUND :</b>			
<b>FIXED ASSETS</b>			
Gross Block	<b>5</b>	788.61	782.10
Less : Depreciation		<u>681.96</u>	<u>594.09</u>
Net Block		106.65	188.01
<b>INVESTMENT</b>	<b>6</b>	166.00	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
i) Inventories	<b>7</b>	92.36	90.10
ii) Sundry Debtors	<b>8</b>	1,395.74	1,437.70
iii) Cash & Bank Balances	<b>9</b>	5.06	16.22
iv) Loans & Advances	<b>10</b>	264.42	213.60
		<u>1,757.58</u>	<u>1,757.62</u>
<b>Less- CURRENT LIABILITIES &amp; PROVISION</b>	<b>11</b>	<u>307.75</u>	<u>233.85</u>
<b>Net Current Assets :-</b>		<u>1,449.83</u>	<u>1,523.77</u>
		<u>1,722.48</u>	<u>1,711.78</u>
Accounting Policy & Notes to the Accounts	<b>17</b>		
Balance Sheet Abstract & General Business Profile	<b>18</b>		
In terms of our report of even date attached			

**For Rajesh Duggar & Co.**  
*Chartered Accountants*

**Rajesh Kumar Duggar**  
*Proprietor*  
Membership No. 056175

Place : Kolkata  
Date : 15th day of November, 2006

For & on behalf of the Board  
**Computer Point Ltd.**

**R. Gupta** - Director  
**S. Kumar** - Director

**COMPUTER POINT LIMITED**  
**PROFIT & LOSS ACCOUNT AS AT 30TH JUNE, 2006**

<b>SOURCES OF FUNDS :</b>	<b>Schedule</b>	<b>As at 30th June, 2006 (Rs.)</b>	<b>Rs. In Lacs As at 30th June, 2005 (Rs.)</b>
<b>A. INCOME :</b>			
Sales & Services		<b>3,940.22</b>	4,793.20
Other Incomes	<b>12</b>	<b>2.76</b>	9.61
	<b>TOTAL "A"</b>	<b><u>3,942.98</u></b>	<b><u>4,802.81</u></b>
<b>B. EXPENDITURE</b>			
Cost of Sales	<b>13</b>	<b>3,614.70</b>	4,288.78
Payment to Employees	<b>14</b>	<b>120.85</b>	139.10
Administrative & Other Expenses	<b>15</b>	<b>84.63</b>	165.13
Selling & Distribution Expenses	<b>16</b>	<b>15.10</b>	23.10
Interest on Car Loan		<b>0.43</b>	-
Charity & Donation		<b>1.31</b>	6.61
Depreciation		<b>87.87</b>	128.55
Bad Debt Written Off		<b>16.50</b>	-
	<b>TOTAL "B"</b>	<b><u>3,941.39</u></b>	<b><u>4,751.27</u></b>
Net Profit/(Loss) before Tax (A-B)		<b>1.59</b>	51.54
Less : Income Tax for the year		-	1.64
Less : Fringe Benefit Tax		<b>1.00</b>	-
		<b>0.59</b>	49.90
Add : Deferred Tax Credit		<b>14.13</b>	-
Net Profit/(Loss) after Tax		<b>14.72</b>	49.90
Profit B/F from previous year		<b>5.10</b>	(44.80)
Balance carried to Balance Sheet		<b><u>19.82</u></b>	<b><u>5.10</u></b>
Accounting Policy & Notes to the Accounts	17		
General Business Profile	18		

As per our attached report of even date.

**For Rajesh Duggar & Co.**  
*Chartered Accountants*

**Rajesh Kumar Duggar**  
*Proprietor*  
Membership No. 056175

Place : Kolkata  
Date : 15th day of November, 2006

For & on behalf of the Board  
**Computer Point Ltd.**

**R. Gupta** - Director  
**S. Kumar** - Director

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AND PROFIT & LOSS A/C. AS AT 30TH JUNE, 2006**

	As at 30th June, 2006	(Rs. In Lacs) As at 30th June, 2005
<b>SCHEDULE - 1 :</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED CAPITAL :</b>		
1,26,00,000 Equity Shares of Rs. 10/- each	1,260.00	1,260.00
(Prev. year 1,26,00,000 Equity Shares of Rs. 10/- each)	<u>1,260.00</u>	<u>1,260.00</u>
<b>ISSUED SUBSCRIBED &amp; PAID-UP :</b>		
90,01,300 Equity Shares of Rs. 10/- each fully paid-up.	900.13	900.13
(Prev. year 90,01,300 Equity Shares of Rs. 10/- each)	<u>900.13</u>	<u>900.13</u>
<b>SCHEDULE - 2 : RESERVE &amp; SURPLUS :</b>		
<b>SECURITIES PREMIUM</b>		
	500.00	500.00
<b>PROFIT &amp; LOSS ACCOUNT</b>		
B/F From Last Year	5.10	(44.80)
ADD: Profit for the Year	0.59	49.90
	<u>505.69</u>	<u>505.10</u>
<b>SCHEDULE - 3 : SECURED LOANS</b>		
Cash credit account from a Bank		
(Against hypothecation of stocks)	262.21	262.21
Total (a)	<u>262.21</u>	<u>262.21</u>
Overdraft account with Bank		
(Secured by a charge on book debts.)	37.68	37.68
Total (b)	<u>37.68</u>	<u>37.68</u>
Deferred payment Guarantee		
(Secured by charge on Fixed Assets)	6.66	6.66
Total (c)	<u>6.66</u>	<u>6.66</u>
Car Loan from Bank		
(Against mortgage of Motor Car)	7.68	-
Total (d)	<u>7.68</u>	-
Total (a+b+c+d)	<u>314.23</u>	<u>306.55</u>
<b>SCHEDULE - 4 : DEFERRED TAX</b>		
Timing Difference in opening WDV		
	16.56	-
Adjustment on account of Current Depreciation		
	(14.13)	-
	<u>2.43</u>	-

**COMPUTER POINT LTD.  
SCHEDULES TO BALANCE SHEET & PROFIT AND LOSS ACCOUNT**

**SCHEDULE - 5 :  
FIXED ASSETS**

DESCRIPTIONS OF ASSETS	Block Rate	Gross Block				Depreciation				Net Block	
		As at 01.07.2005	Additions during the Year	Deduction during the Year	As at 30.06.2006	Up-to 30.06.2005	For the Year	Write off during the Year	Up-to 30.06.2006	As at 30.06.2006	As at 30.06.2005
Computer Systems	16.21%	20,489,674	-	-	20,489,674	20,489,673	-	-	20,489,673	1	1
Computer Systems-I	16.21%	25,950,000	-	-	25,950,000	18,911,668	4,206,495	-	23,118,163	2,831,837	7,038,332
Computer Systems-II	60.00%	13,000,000	-	-	13,000,000	7,735,000	3,159,000	-	10,894,000	2,106,000	5,265,000
Furniture & Fixture-Old	6.33%	8,823,790	-	-	8,823,790	8,823,789	-	-	8,823,789	1	1
Furniture & Fixture	18.10%	6,500,000	-	-	6,500,000	617,500	1,064,733	-	1,682,233	4,817,768	5,882,500
Office Equipments	9.50%	1,442,893	-	-	1,442,893	1,327,671	115,221	-	1,442,892	1	115,222
Vehicles	20.00%	1,378,640	-	-	1,378,640	1,378,639	-	-	1,378,639	1	1
Motor Car	25.89%	625,000	651,000	-	1,276,000	125,000	241,813	-	366,813	909,187	500,000
<b>GRAND TOTAL</b>	-	<b>78,209,997</b>	<b>651,000</b>	-	<b>78,860,997</b>	<b>59,408,940</b>	<b>8,787,260</b>	-	<b>68,196,200</b>	<b>10,664,797</b>	<b>18,801,057</b>
<b>PREVIOUS YEAR :</b>	-	55,934,997	22,275,000	-	78,209,997	46,554,083	12,854,857	-	59,408,940	18,801,057	9,380,914

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AND PROFIT & LOSS A/C. AS AT 30TH JUNE, 2006**

	As at 30th June, 2006	(Rs. In Lacs) As at 30th June, 2005
<b>SCHEDULE - 6 : INVESTMENTS</b>		
Non - trade (at cost) (Unquoted)	166.00	-
Investment in Shares	<u>166.00</u>	<u>-</u>
<b>SCHEDULE - 7 : INVENTORIES</b>		
Stock in trade (at cost as verified, valued and certified by the management)	92.36	90.10
	<u>92.36</u>	<u>90.10</u>
<b>SCHEDULE - 8 : SUNDRY DEBTORS</b>		
(Unsecured, Considered good unless otherwise stated)		
a) Over six months - considered good (Refer Note No.1)	938.19	973.10
b) Others - considered good	457.55	464.60
	<u>1,395.74</u>	<u>1,437.70</u>
<b>SCHEDULE - 9 : CASH &amp; BANK BALANCES</b>		
a) Cash-in-hand (As Certified by the Management)	4.23	3.35
b) Balances with Scheduled Banks		
In Current Account	0.83	12.87
	<u>5.06</u>	<u>16.22</u>
<b>SCHEDULE - 10 : LOANS AND ADVANCES</b>		
(Unsecured & Considered Good)		
(Recoverable in cash or in kind or for value to be received)		
Loan to Others Parties		88.85
Tax deducted at source	2.31	1.64
Advance to Suppliers	139.00	-
Total (a)	<u>141.31</u>	<u>90.49</u>
<b>DEPOSITS</b>		
with Bodies Corporates	66.11	66.11
Security Deposits for Properties	32.00	32.00
With Bank on No Lien Account	25.00	25.00
Total (b)	<u>123.11</u>	<u>123.11</u>
Total (a+b)	<u>264.42</u>	<u>213.60</u>
<b>SCHEDULE 11 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors & Acceptance	274.39	226.00
Other Liabilities	4.14	14.13
Vat Payable	1.72	-
Total (a)	<u>280.25</u>	<u>240.13</u>
<b>PROVISION</b>		
Bad Debts A/c	10.00	10.00
Add: During the Year	16.50	-
	26.50	10.00
Provision for Income Tax	-	1.64
Provision for Fringe Benefit Tax	1.00	-
Total (b)	<u>27.50</u>	<u>11.64</u>
Deferred Tax (c)	-	(17.92)
Total (a+b+c)	<u>307.75</u>	<u>233.85</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AND PROFIT & LOSS A/C. AS AT 30TH JUNE, 2006**

	As at 30th June, 2006	(Rs. In Lacs) As at 30th June, 2005
<b>SCHEDULE 12 : OTHER INCOME</b>		
Interest on TDS	-	0.14
Interest received (TDS Rs.61974/- Prev.yr. Rs.145395/-)	2.76	7.85
Profit on sale of Liquid Mutual Fund	-	1.62
	<u>2.76</u>	<u>9.61</u>
<b>SCHEDULE - 13 : COST OF SALES</b>		
Opening Stock	90.10	393.77
Add : Purchases	3,616.96	3,985.11
	3,707.06	4,378.88
Less : Closing Stock	92.36	90.10
	<u>3,614.70</u>	<u>4,288.78</u>
<b>SCHEDULE - 14 : PAYMENT TO EMPLOYEES</b>		
Salaries, Bonus and other Allowances	116.10	130.70
Staff Welfare Expenses for Tea & Coffee	4.75	8.40
	<u>120.85</u>	<u>139.10</u>
<b>SCHEDULE - 15 : ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Direct Consumables	19.15	54.40
Rent	12.10	21.67
Miscellaneous Expenditure	2.11	2.63
Electricity charges	7.61	10.13
Repairs & maintenance	4.25	11.40
Legal & Professional Fees	2.25	2.75
Auditor's Remuneration	0.52	0.52
Certification Charges	0.05	0.05
Out of Pocket expenses	0.05	0.05
Conveyance & Travelling	14.05	23.05
Printing & Stationery	12.12	15.40
Communication Expenses	6.27	10.05
Vehicle Running & Repair	0.92	1.73
Hire Charges	0.75	4.90
Office Maintenance Expenses	2.43	6.40
	<u>84.63</u>	<u>165.13</u>
<b>SCHEDULE - 16 : SELLING &amp; DISTRIBUTION EXPENSES</b>		
Exhibition, Seminar etc. Expenses	12.70	20.20
Packing & Forwarding Expenses	2.40	2.90
	<u>15.10</u>	<u>23.10</u>



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**17. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS****A. Accounting Policies**

The accounts are prepared on historical cost convention and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

**1. Revenue Recognition :**

- a. Education & Training Income has been recognized at the time of commencement courses and training programs.
- b. Income on Annual Maintenance Contracts has been recognized at the end of contract.
- c. Sales comprise of sales of goods & services and are recognized on dispatch to customer.

**2. Inventory Valuation :**

Inventories are valued at cost. However the cost has been found to be lower than market value.

**3. Fixed Assets & Depreciation :**

Fixed Assets are stated at their original cost which includes expenditure incurred in the acquisition and construction / installation and other related expenses. In respect of old assets Depreciation has been provided under straight line basis as per the rates prescribed under Schedule XIV of the Companies Act, 1956, however with respect to assets installed last year & during the year the method & rates have been Written Down Value and higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Since the management opinion is that the rate changed is reasonable to the uses of Assets and its life.

**4. Investments :**

Investments in shares are unquoted and stated at cost.

**5. Contingent Liabilities :**

Contingent Liabilities are not provided but disclosed by way of notes under Notes to the Accounts.

**6. Retirement Benefits :**

- a. Contribution to Provident & Superannuating fund is accounted on actual liability basis.
- b. As reported by the management, none of the employee of the company is entitled to the gratuity in term of the payment of gratuity Act.

**7. Taxation :**

Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from timing difference between books profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised.

Fringe Benefits Tax (FBT) payable under the provisions of Section 115WC of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Fringe Benefits Tax issued by the ICAI regarded as an additional income tax and considered in determination of the profits for the year.

**8. General :**

Accounting Policies not specially referred to are consistent with the generally accepted accounting practices.

**B. Notes to the Accounts :-**

1. The management has made certain recovery on account of doubtful debts included under sundry debtors carried forward from 92-93, being hopeful of further recovery has not provided for but since debts being old and unrecognized has provided Rs.10 Lakhs on adhoc basis. However during the year the Company has written off a sum of Rs.16.50 Lacs against certain doubtful debts and the same is added to the provision made in this regard as a matter of disclosure.

2. Capital Commitments : Rs. Nil

3. Contingent Liability : 30.06.2006 30.06.2005

a. Interest on Loan from Financial Institution Not Ascertained Not Ascertained

b. If demand by Income Tax (Pending Appeal) Nil Nil

c. Guarantees given by Company (if any) Nil Nil

d. Estimated amount of Royalty, Payable Nil Nil

in Future year (if any)

4. Balance due to/with Banks and Parties have been yet to be reconciled /confirmed.

5. The management has certified there are no liabilities and assets of the Company unless and otherwise recorded in the books of accounts of the Company.

6. Particulars in respect of goods traded as per information required by Part II of Schedule VI have been furnished hereunder :-

**A. DETAILS OF GOODS TRADED :-**

Items	Particulars	Qty.(In Nos.)	30.06.2006		30.06.2005	
			Value(In Lacs.)	Qty.(In Nos.)	Value(In Lacs.)	
Computer &	Opening Stock	248	90.10	926	393.77	
Pheripherals	Purchases	38511	3616.96	37422	3985.11	
	Sales	38471	3614.70	38100	4288.78	
	Closing Stock	288	92.36	248	90.10	

7. The Company has not provided interest on secured loans under the head cash credit, overdraft A/c. and deferred payment guarantee and others on the plea that negotiation for waiver of interest in the proposed OTS is in process.

8. Details of receipt & payment 30.06.2006 30.06.2005

a) Directors Remuneration paid during the year Rs. Nil. Rs. Nil

b) Sales & Services Rs. 3940.22 Rs. 4793.20

(includes Rs.170.63 Lacs in respect of Computer Education)

11. (a) Earning in Foreign Exchange Rs. Nil

(b) Expenditure in Foreign Currency Rs. Nil

12. Vat Rs. 1,72,000/- & FBT Rs. 1,00,134/- (Estimated on the March financial year Basis.)

Previous figures have been regrouped / rearranged wherever considered necessary.

In terms of our report of even date attached  
For **RAJESH DUGGAR & CO.**  
*CHARTERED ACCOUNTANTS*

**Dated:** 15th day of November, 2006  
**Place :** Kolkata

**Rajesh Kumar Duggar**  
*Proprietor*  
Membership No. 056175

## COMPUTER POINT LIMITED

### 18. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. REGISTRATION DETAILS :

Registration No.	045719	State Code	55
Balance Sheet Date	30.06.2006		

#### II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Lacs)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Lacs)

Total Liabilities	2030.23	Total Assets	2030.23
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##### Source of Funds :

Paid-up Capital	900.13	Reserve & Surplus	505.69
Secured Loan	314.23	Unsecured Loan	Nil
Share Application Money	Nil	Deferred Tax	2.43

##### Application Of Funds :

Net Fixed Assets	106.65	Investments	166.00
Net Current Assets	1449.83	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		

#### IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Lacs)

Turnover*	3942.98	Total Expenditure	3941.39
* includes other income			
Profit for the year	1.59	Profit after Tax	14.72
Earnings Per Share in Rs.	0.16	Dividend rate %	Nil

#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE CO. (AS PER MONETARY TERMS)

Product / Services Descriptions	Items Code No. (ITC Code)
Computer Peripherals	28392009
Computer Consumables	319106004
Computer Software	8524510010

**For Rajesh Duggar & Co.**  
*Chartered Accountants*

For and on behalf of the Board  
**Computer Point Ltd.**

**Rajesh Kumar Duggar**  
*Proprietor*  
Membership No. 056175

Director

Place : Kolkata  
Date : 15th day of November, 2006

## CASH FLOW STATEMENT 2006-2007

(Rs. In Lacs)

	Current Year ended 30.06.06		Previous Year ended 30.06.05
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before taxes & extraordinary items	1.59		51.54
Adjustment for:			
Depreciation	87.87	128.55	
Foreign Exchange	-	-	
Investments	0.43	-	
Interest/Dividend	(2.76)	(9.61)	
Misc.Income	-	-	
	85.54		118.94
	87.13		170.48
Operating Profit before working Capital Changes			
Adjustment for:			
Trade Receivables	41.96	(631.25)	
Inventories	(2.26)	303.67	
Other Receivables	(50.82)	(39.70)	
Trade Payables	(38.40)	(209.23)	
Borrowings	-	-	
	(49.52)		(497.11)
	37.61		(326.63)
<b>Cash Generated from Operations :</b>			
Interest Paid	-	-	
Direct Taxes Paid	-	-	NIL
<b>Cash Flow before Extra Ordinary Items</b>			
Less Extra Ordinary Items	-	-	-
Net Cash Flow from Operating Activities	NIL		NIL
	37.61		(326.63)
<b>B. Cash Flow Investing Activities :</b>			
Purchase of Fixed Assets	(6.51)	(222.75)	
Advance for Capital goods	-	-	
Purchase for Investments	(166.00)	-	
Intercorporated Deposits	50.82	39.70	
Payable for Capital Goods	-	-	
Interest/ Dividend Received	2.76	9.61	
Misc. Income	-	-	
Misc. Exp. For Share Issue	-	-	
Net Cash used in Investing Activities	(118.93)		(173.44)
<b>C. Cash Flow from Financing Activities :</b>			
<b>Grant</b>			
Proceeds from Issue of Share Capital	-	-	
Proceeds from Short Term Secured Loan	-	-	
Payment of Long Term Loan	-	-	
Payment of Unsecured Loan	-	-	
Dividend Paid	-	-	
Net Cash used in Financial Activities	-		-
<b>Net Increase/Decrease in Cash &amp; Cash Equivalent</b>			
Cash & Cash Equivalent (Opening)		(500.07)	87.90
Cash & Cash Equivalent (Ending)		(81.32)	(500.07)

For and on behalf on the Board

**COMPUTER POINT LTD.**

**R.Gupta - Director**

Place: Kolkata

Date: 15th Nov, 2006

### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Computer Point Ltd. for the period on 30th June, 2006. The Statements has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with the Stock Exchange at Delhi & Mumbai and is based on & in agreement with the P/L Account and Balance Sheet of the Company covered by our report dt:15/11/06 to the Members of the Company.

For **Rajesh Duggar & Co.**

Chartered Accountants

**(Rajesh Kr. Duggar)**

Proprietor

Membership No. 056175

Place: Kolkata

Date : 15th Nov, 2006

**COMPUTER POINT LIMITED**

Registered Office: B- 1523 Shastri Nagar, 1<sup>st</sup> Floor, Delhi – 110052

**P R O X Y F O R M**

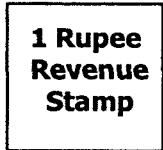
Reg. Folio No	
No Of Shares held	

* DP ID	
Clint ID	

I/ We ..... Of.....  
 ..... In the district of .....  
 Being a Member / Members of the above named Company hereby appoint  
 .....Of.....  
 In the district of .....or failing him.....  
 Of..... in the district of .....  
 as my / our proxy to attend and vote for me/ us on my /our behalf at the 21st Annual General Meeting of the Company to be held on at A-1/288, Safdarjung Enclave, New Delhi-110029 on Wednesday, the 27th December, 2006 at 9.30 A.M. and any adjournment there of.

Signed this ..... day of.....2006

Signature \_\_\_\_\_



\* Applicable for investorsholding in electronic form.

Note: The proxy order to be effective should be duly stamped, completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.

**COMPUTER POINT LIMITED**

Registered Office: B- 1523 Shastri Nagar, 1st Floor, Delhi – 110052

**ATTENDANCE SLIP**

21st Annual General Meeting on Wednesday the 27th December, 2006

Reg. Folio No	
No Of Shares held	

* DP ID	
Clint ID	

I certify that I am a registered Shareholder/proxy for the registered shareholder of the Company, I hereby record my presence of the 21st Annual General Meeting of the Company to be held on A-1/288, Safdarjung Enclave, New Delhi-110029 on Wednesday, the 27th December, 2006.

.....  
**Member's / Proxy's Name in BLOCK Letters**

.....  
**Member's / Proxy's Signature**