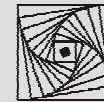




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Tel : +91-22-6711 4444 Fax : +91-22-6711 4445  
E-mail : [info@compuageindia.com](mailto:info@compuageindia.com)

**15<sup>th</sup> Annual Report**

**2013-14**



**NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMPUAGE INFOCOM LIMITED WILL BE HELD ON SATURDAY, 23TH AUGUST, 2014 AT 10.00 A.M AT VICTORIA MEMORIAL SCHOOL FOR BLIND TARDEO ROAD, OPP. FILM CENTRE, MUMBAI - 400 034 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2014 and the Balance Sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Bhavesh H. Mehta (DIN: 00740861), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendation of the Audit Committee and Board of the Company, M/s B.V Dalal & Co., Chartered Accountant (Firm Registration No. 114214 W), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting hereafter (subject to ratification by the members at every Annual General Meeting held hereafter), at a remuneration and other terms as may be determined by the Audit Committee and finalized by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

5. To appoint Mr. Ganesh S. Ganesh (DIN: 00010877) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ganesh S. Ganesh (DIN: 00010877), Director of the Company liable to retire by rotation at the Annual General Meeting at 2012 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the year 2019."



**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such step, action as may be necessary, proper and expedient to give effect to this resolution".

6. To appoint Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay Agarwal (DIN: 00058548), Director of the Company liable to retire by rotation at the Annual General Meeting at 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the year 2019."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such step, action as may be necessary, proper and expedient to give effect to this resolution".

7. To appoint Mrs. Preeti K. Trivedi (DIN: 00179479) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Preeti K. Trivedi (DIN: 00179479), Director of the Company liable to retire by rotation at the Annual General Meeting at 2011 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the year 2019."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such step, action as may be necessary, proper and expedient to give effect to this resolution".

8. To re-appoint Mr. Atul H. Mehta (DIN: 00716869) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**



**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Atul H. Mehta (DIN: 00716869) as Managing Director of the Company, for a period of 3 (three) years with effect from September 08, 2014, subject to the Central Government approval & on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Atul H. Mehta, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**"RESOLVED FURTHER THAT** notwithstanding anything contained herein above stated where in any financial year closing on or after March 31, 2014, during the tenure of Mr. Atul H. Mehta as a Managing Director of the Company, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Atul H. Mehta the above remuneration as minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To re-appoint Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

**Special Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-time Director, designated as Executive Director of the Company, for a period of 3 (three) years with effect from October 18, 2014, subject to the Central Government approval & on the terms and conditions including remuneration as set out in the Statement

annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Bhavesh H. Mehta, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**"RESOLVED FURTHER THAT** notwithstanding anything contained herein above stated where in any financial year closing on or after March 31, 2014, during the tenure of Mr. Bhavesh H. Mehta as a Whole-time Director of the Company, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Bhavesh H. Mehta the above remuneration as minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office:**  
**D- 601/602 & G - 601/602,**  
**Lotus Corporate Park,**  
**Graham Firth Steel Compound,**  
**Western Express Highway,**  
**Goregaon (E), Mumbai - 400 063, India**  
**CIN: L99999MH1999PLC135914**  
**e-mail: investors.relations@compuageindia.com**

**By order of the Board of Directors**  
**For Compuage Infocom Limited**

**Mumbai**  
**July 30, 2014**

**Sd/-**  
**Regal Patel**  
**Company Secretary**



**NOTES:**

1. The Statement pursuant to Sec 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGRREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE OF THE COMPANY.**
3. The instrument appointing the proxy, duly completed and stamped, must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
4. Corporate members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Members who hold shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
7. Members/Proxies/Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
8. The Company's share are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and Madras Stock Exchange Limited, Chennai (MSE) and all applicable listing fees have been paid upto date.
9. The Register of Member and the Share Transfer books of the company will remain close from August 21, 2014 to August 23, 2014 (both days inclusive) for the purpose of payment of divided, if any, approved by the Members.
10. The Dividend for the year ended March 31, 2014 as recommended by the Board, if approved by the Members at the Annual General Meeting will be paid within the prescribed time limit to those members whose names appear in the Company's Register of Members on August 23,2014. In Respect of Shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
11. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited.

**LINK INTIME INDIA PRIVATE LIMITED**

C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (West), Mumbai-400 078.

12. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its Registrars and Transfer Agents, **LINK INTIME INDIA PRIVATE LIMITED** cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
13. Members are requested to note that the dividend which remains Unclaimed / Unpaid for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies, Act, 2013 (Sec 205A & 205 C of the erstwhile Companies Act, 1956 ), be transferred to the Investor Education and Protection Fund (IEPF).
14. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the following dividends which remain unpaid and unclaimed for a period of seven years will be due for transfer to the Investor Education and Protection Fund (IEPF or Fund) of the Central Government:

Dividend	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
2009-10(Final)	14.08.2010	13.08.2017	13.09.2017
2010-11(Final)	29.07.2011	28.07.2018	28.08.2018
2011-12(Interim)	11.11.2011	10.11.2018	10.12.2018
2012-13(Final)	30.08.2012	29.08.2019	29.09.2019

Shareholders who have not encashed the dividend warrant(s) are requested to return the unpaid dividend warrant(s) for revalidation or write to the Company's Registrar & Share Transfer Agent at the above address to obtain duplicate dividend warrant immediately. Please note that after such transfer no claims shall lie against the Fund or the Company in respect of individual amounts and no payment shall be made in respect of any such claims.

15. 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 their 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 / Link IntimeIndia Private Limited.
16. Members may also note that the Notice of the 15th Annual General Meeting and the Annual Report 2014 will be available on the Company's website, [www.compuageindia.com](http://www.compuageindia.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days (11.00 am to 5.00 pm) except Saturdays, Sundays and Public Holidays. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us: [investors.relations@compuageindia.com](mailto:investors.relations@compuageindia.com).



17. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declaration for their appointment/re-appointment.
18. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 15th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

**The instructions for e-voting are as under:**

**A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**

- (i) Open email and open PDF file viz. Compuage Infocom e-Voting.pdf, with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Compuage Infocom Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [bhattivirendra@gmail.com](mailto:bhattivirendra@gmail.com) or [bhattivirendra1945@yahoo.co.in](mailto:bhattivirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy]:**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

**EVEN (E Voting Event Number) USER ID PASSWORD/PIN**

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on August 18, 2014 (9:00 am) and ends on August 20, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 18, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of July 18, 2014.
- VII. Mr. Virendra G. Bhatt, Practicing Company Secretary (C.P No. 124) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.compuageindia.com](http://www.compuageindia.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays, Sundays and Public Holidays, up to and including the date of the Annual General Meeting of the Company.



**Information required to be furnished under the Listing Agreement:**

As required under the Listing Agreement, the particular of the Director who is proposed to be re-appointed is furnished below:

**Item No. 3 of the Notice:**

Companies (other than Compuage Infocom Limited) in which Mr. Bhavesh H. Mehta holds directorship and committee membership.

**Directorship**

Trillizo Holdings Limited  
Addonix Computers Private Limited  
Compuage Software Technologies Limited  
Greenvision Technologies Private Limited

**Chairperson of Board Committees**

None

**Member of Board Committees**

None

**Shareholding in the Company**

Mr. Bhavesh H. Mehta holds 1780485 equity shares of the Company.

**Expertise:**

Mr. Bhavesh H. Mehta, aged 41 is a Whole-Time Director at Compuage Infocom Limited (hereinafter referred to as "CIL"). He is a M. Com Graduate holding Master's degree in Commerce with a specialization in marketing with expertise in the areas of Operations and Supply Chain Management. He joined CIL in October 2000 and has experience of more than 19 years in the IT Distribution Business. He has been a part of the core team and key managerial person that has enabled CIL to expand over the years.

In his long career with CIL since joining in 2000, apart from being responsible for Operations & Supply Chain Management, he advises on Business and Sales Strategies which leads to the company's growth. He has taken many challenging roles and responsibilities for driving growth in the company which includes constant endeavor to improve the systems and process, enhancing productivity and bringing new relationships on the table for the company.

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the ACT")**

**Item no. 5**

Mr. Ganesh S. Ganesh, aged 55 years, a Non-Executive (Independent) Director of the Company and have held the positions as such for more than 5 (five) years. He is a qualified Chartered Accountant and is associated with Merchant Banking business since past 20 years. He has worked with Sharp & Tenan as a Chartered Accountant, 20th Century Finance Corporation Limited, Infrastructure Leasing and Financial Services



Limited and Ind Global Financial Trust Limited. He is a member of the Audit Committee and Stakeholders Relationship Committee of Compuage Infocom Limited.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a Listed company.

It is proposed to appoint Mr. Ganesh S. Ganesh as an Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the year 2019.

Mr. Ganesh S. Ganesh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Company has received a notice in writing under the provisions of Sections 160 of the Companies Act, 2013, from a member along with a deposit of ` 1,00,000/- proposing the candidature of Mr. Ganesh S. Ganesh for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has also received an intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 as mentioned aforesaid and a declaration to the effect that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Ganesh S. Ganesh proposed to be appointed as an Independent Director fulfills the conditions as specified in the Act and the Listing Agreement and that the proposed director is an independent of the management.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ganesh S. Ganesh as an Independent Director pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made there under for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Act, Mr. Ganesh S. Ganesh shall not be liable to retire by rotation. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

A copy of the draft letter for the appointment of Mr. Ganesh S. Ganesh as an Independent Director setting out the terms and conditions is available for inspection by the members at the Company's Registered Office without any fee during normal business hours on working days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

Companies (other than Compuage Infocom Limited) in which Mr. Ganesh S. Ganesh holds directorship and committee membership.



**Directorship**

Inga Capital Private Limited  
 Inga Management & Investment Private Limited  
 Berkshire Advisors Private Limited  
 Shastha Advisors Private Limited  
 Neue Allianz Corporate Services Private Limited  
 Inga Foundation (Sec 25 of the Companies Act, 1956)  
 Association of Investment Bankers of India (Sec 25 of the Companies Act, 1956)  
 Fortune Credit Capital Ltd  
 Fortune Integrated Assets Finance Limited

**Chairperson of Board Committees**

None

**Member of Board Committees**

None

**Shareholding in the Company**

Mr. Ganesh S. Ganesh holds 157 equity shares of the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interest in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 of the Notice for approval of the members.

**Item no. 6**

Mr. Vijay Agarwal, aged 57 years, a Non-Executive (Independent) Director of the Company and have held the positions as such for more than 5 (five) years. He is a Qualified Practicing Chartered Accountant, specialized in Corporate Advisory, Tax and Audit field. As an Independent Director & Chartered Accountant by Profession he has been adding immense value to the Group. He is a member of the Audit Committee and Stakeholders Relationship Committee of Compuage Infocom Limited.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a Listed company.

It is proposed to appoint Mr. Vijay Agarwal as an Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the year 2019.

Mr. Vijay Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.



The Company has received a notice in writing under the provisions of Sections 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Vijay Agarwal for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has also received an intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 as mentioned aforesaid and a declaration to the effect that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Vijay Agarwal proposed to be appointed as an Independent Director fulfills the conditions as specified in the Act and the Listing Agreement and that the proposed director is independent of the management.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vijay Agarwal as an Independent Director pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made there under for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Vijay Agarwal shall not be liable to retire by rotation. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

A copy of the draft letter for the appointment of Mr. Vijay Agarwal as an Independent Director setting out the terms and conditions is available for inspection by the members at the Company's Registered Office without any fee during normal business hours on working days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

Companies (other than Compuage Infocom Limited) in which Mr. Vijay Agarwal holds directorship and committee membership.

**Directorship**

Sparc Samudaya Nirman Sahayak (Sec 25 of the Companies Act, 1956)  
 Themis Medicare Limited  
 Sanskar India Foundation (Sec 25 of the Companies Act, 1956)  
 Gujarat Themis Biosyn Limited  
 Triveni Sangam Estate Private Limited  
 Pramerica Trustees Private Limited  
 Tips Industries Limited

**Chairperson of Board Committees**

Sparc Samudaya Nirman Sahayak (Sec 25 of the Companies Act, 1956)  
 Sanskar India Foundation (Sec 25 of the Companies Act, 1956)

**Member of Board Committees**

Themis Medicare Limited  
*Audit Committee*  
 Gujarat Themis Biosyn Limited  
*Audit Committee*  
 Tips Industries Limited  
*Audit Committee*



**Shareholding in the Company**

Mr. Vijay Agarwal holds NIL equity shares of the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interest in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6 of the Notice for approval of the members.

**Item no. 7**

Mrs. Preeti K. Tridevi, aged 57 years, a Non-Executive (Independent) Director of the Company and have held the positions as such for more than 5 (five) years. She is a fellow Chartered Accountant and has an experience in the field of Management Consulting & Corporate Finance. She has an extensive experience in areas of Business & Share Valuation, Corporate Restructuring, Mergers & Amalgamation, Strategic Advisory services relating to Joint Ventures, FIPB and EOU, Due Diligence, Relevant Tax and Co. Law Advice, Financial Planning and Project Funding. She is a member of the Audit Committee and Stakeholders Relationship Committee of Compuage Infocom Limited.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a Listed company.

It is proposed to appoint Mrs. Preeti K. Tridevi as an Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company in the year 2019.

Mrs. Preeti K. Tridevi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Company has received a notice in writing under the provisions of Sections 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mrs. Preeti K. Tridevi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has also received an intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 as mentioned aforesaid and a declaration to the effect that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mrs. Preeti K. Tridevi proposed to be appointed as an Independent Director fulfills the conditions as specified in the Act and the Listing Agreement and that the proposed director is an independent of the management.



Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Preeti K. Tridevi as an Independent Director pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made there under for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mrs. Preeti K. Tridevi shall not be liable to retire by rotation. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

A copy of the draft letter for the appointment of Mrs. Preeti K. Tridevi as an Independent Director setting out the terms and conditions is available for inspection by the members at the Company's Registered Office without any fee during normal business hours on working days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

Companies (other than Compuage Infocom Limited) in which Mrs. Preeti K. Tridevi holds directorship and committee membership.

**Directorship**

None

**Chairperson of Board Committees**

None

**Member of Board Committees**

None

**Shareholding in the Company**

Mrs. Preeti K. Trivedi holds NIL equity shares of the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interest in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 7 of the Notice for approval of the members.

**Item no. 8**

The Board of Directors of the Company (the 'Board'), at its meeting held on July 30, 2014 has, subject to the approval of members, re-appointed Mr. Atul H. Mehta as Managing Director, for a period of 3 (three) years from the expiry of his present term, which expired on September 07, 2014 at the remuneration recommended by the Human Resources, Nomination and Remuneration Committee (the 'HRNR Committee') of the Board and approved by the Board.

The Company has received from Mr. Atul H. Mehta, consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors), to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.





## COMPUAGE INFOCOM LTD.

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It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Atul H. Mehta as Managing Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Atul H. Mehta are as under:

### **EMOLUMENTS**

#### **A. BASIC SALARY**

The basic salary shall be ₹ 1,80,00,000 p.a (Rupees One Crore Eighty Lakhs Only.)

#### **B. COMMISSION:**

The percentage will be decided by the HRNRCCommittee of the Board of Directors on a year-to-year basis, based on the individual performance of the said Managing Director, the overall performance of the Company and accordingly the Commission payable to the said Director shall be provided for in the accounts.

Provided further that Commission shall be payable, on an annual basis but only after the Company's Annual Accounts and Balance Sheet under Section 129 of the Companies Act, 2013 are placed before the Company's Annual General Meeting and approved by the members thereat, subject further, to the said Managing Director continuing to be in employment of the Company at the time of payment of the said Commission.

#### **C PERQUISITES**

##### **CATEGORY I**

Perquisites as per Company's policy includes House rent allowance, General allowance, club fees, Group personal accident insurance, Group mediclaim and Group term insurance.

This component will not be included as a basic salary, for the purpose of Provident Fund, Gratuity or any other purpose.

##### **CATEGORY II**

Provident Fund: Company's contribution to Provident Fund as per Rules of the Company.

Gratuity: Payable in accordance with the Rules of the Company but not exceeding half month's basic salary for each completed year of service. Performance Incentive will not be added to the basic salary for the purpose of provident fund, gratuity, medical or commission and other perquisites.

For Provident Fund, Gratuity or any other benefit, there is ceiling limit for Basic and these benefits will be payable as per limits prescribed as per rules of the Company for above benefits from time to time.

Car(s) and telephone(s) will be provided at residence for official use. However, provision of these facilities will be subject to tax as per prevailing Income Tax rules. The Company shall bill Personal long distance calls on telephone to the said Managing Director.



## COMPUAGE INFOCOM LTD.

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The contribution to Provident Fund will not be included as perquisites to the extent these are not taxable under the Income Tax Act, 1961.

Leave: As per the rules of the Company, but not exceeding 21 working days per year. Unutilized leave can be carried forward and then encashed equivalent to Basic salary and as per rules of the Company in force from time to time.

All Emoluments and Perquisites will be taxable as per the provisions of the Income Tax Act, 1961.

h) Stock Options: The Managing Director will be granted stock options at sole discretion of the Company under the ESOP in quantities as determined by the HRNR Committee of the Board based upon the said Managing Director's performance and the performance of the Company from time to time.

Mr. Atul H. Mehta, aged 54 years, Chairman and Managing Director of the Compuage Infocom Ltd (herein after referred to as CIL) holds a Bachelor of Commerce degree from India, University of Mumbai and Masters in Business Administration with specialization in finance from University of Portland, USA is engaged in trading business since 1987 i.e for 27 years now. He is the promoter of Compuage Electronics (now CIL) founded in February 1987.

Today, under the leadership of Mr. Atul H. Mehta CIL has established itself as a leading IT & Telecom Distribution Company in India with 45 offices, 17 Global Alliances, more than 7500 Resellers and a highly motivated team of over 600 personnel. Over 27 years CIL has grown from a revenue of a few lacs to a Revenue of ₹ 2361 crores.

Mr. Atul H Mehta plays a very important role in Strategizing, Management and Administration Raising Financial Resources for the growth of the Company and Team Building. It is these very activities which will help CIL to sustain growth over the next few years.

Mr. Atul H. Mehta was re-appointed as the Managing Director of the Company by way of approval granted by the shareholders in the Annual General Meeting held on August 23, 2008 and Central Government vide its letter bearing no. A51754158-CL-VII dated July 09, 2009 for a period of 3 (three) years with overall remuneration of ₹ 60, 00,000/- (Rupees Sixty Lacs Only) payable per annum, and further was re-appointed as the Managing Director of the Company by way of approval granted by the shareholders in the Annual General Meeting held on July 29, 2011 and Central Government vide its letter bearing No. B19707116 / 4 / 2011 - CL.VII dated February 24, 2012 for a period of 3 years with effect from September 08, 2011 to September 07, 2014 with overall remuneration of ₹ 1,20,00,000/- (Rupees One Crore and Twenty Lac Only) per annum.

The Company has expanded significantly under his leadership and with his support, it will enable to achieve industry, leading growth. The Company's foray into Telecom products will give further impetus to its growth with smart phones expected to have rapid growth over the next 5 years, **CIL** is well positioned to benefit from the same.

Recognized as a leader in business and technology and considering the above facts, Mr. Atul H. Mehta's qualification and experience and his importance to the Company, he has proved to be an asset to the organization and his continued association would be of immense benefit to the Company. Therefore as per Management, Board as well as the



Human Resources Nomination and Remuneration Committee (the 'HRNR Committee') felt for further re-appointing him for a period of 3 (three) years with effect from September 08, 2014 to September 07, 2017 and recommended to increase his remuneration to ` 1,80,00,000 (One Crore Eighty Lakhs Only) payable per annum subject to the Central Government approval & on the terms and conditions including remuneration as aforesaid mentioned.

Mr. Atul H. Mehta satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible himself for re-appointment. He is not disqualified from being appointed as Directors in terms of Sec 164 of the Act.

Notwithstanding anything contained herein above stated where in any financial year closing on or after March 31, 2014 during the tenure of Atul H. Mehta as a Managing Director of the Company, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Atul H. Mehta the above remuneration as minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

The Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013.

The said Director shall report to the Board of Directors of the Company who shall empower him with such requisite powers (with authority to revoke and/or amend such powers) to enable the said Director to discharge his duties with full responsibility or the area of operations under his control. The said Director shall work under the superintendence, control and direction of the Board of Directors of the Company.

The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

A copy of the aforesaid Agreement referred to in the Resolution at Item No.8 of the accompanying Notice, is available for inspection by any member of the Company at the Registered Office of the Company during normal business hours on any working day, except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 190 of the Companies Act, 2013.

Companies (other than Compuage Infocom Limited) in which Mr. Atul H. Mehta holds directorship and committee membership.



#### **Directorship**

Trillizo Holdings Limited  
Inga Capital Private Limited  
Addonix Computers Private Limited  
Compuage Software Technologies Limited  
Greenvision Technologies Private Limited  
Technology Distribution Association of India (Sec 25 of the Companies Act, 1956)

#### **Chairperson of Board Committees**

None

#### **Member of Board Committees**

None

#### **Shareholding in the Company**

Mr. Atul H. Mehta holds 1780484 equity shares of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested in these resolutions.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

#### **Item No. 9**

The Board at its meeting held on July 30, 2014 has, subject to the approval of members, re-appointed Mr. Bhavesh H. Mehta as Whole-time Director, designated as Executive Director, for a period of 3 (three) years from the expiry of his present term, which will expire on October 17, 2014, at the remuneration recommended by the Human Resources, Nomination and Remuneration Committee (the 'HRNR Committee') of the Board and approved by the Board.

The Company has received from Mr. Bhavesh H. Mehta, consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors), to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Bhavesh H. Mehta as Whole-time Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Bhavesh H. Mehta are as under:

#### **EMOLUMENTS**

##### **A. BASIC SALARY**

The basic salary shall be ` 1,80,00,000 p.a (Rupees One Crore Eighty Lakhs Only.)



**B. COMMISSION:**

The percentage will be decided by the HRNR Committee of the Board of Directors on a year-to-year basis, based on the individual performance of the said Whole Time Director, the overall performance of the Company and accordingly the Commission payable to the said Director shall be provided for in the accounts.

Provided further that Commission shall be payable, on an annual basis but only after the Company's Annual Accounts and Balance Sheet under Section 129 of the Companies Act, 2013 are placed before the Company's Annual General Meeting and approved by the members thereat, subject further, to the said Whole Time Director continuing to be in employment of the Company at the time of payment of the said Commission.

**C PERQUISITES**

**CATEGORY I**

Perquisites as per Company's policy includes House rent allowance, General allowance, club fees, Group personal accident insurance, Group mediclaim and Group term insurance.

This component will not be included as a basic salary, for the purpose of Provident Fund, Gratuity or any other purpose.

**CATEGORY II**

Provident Fund: Company's contribution to Provident Fund as per Rules of the Company.

Gratuity: Payable in accordance with the Rules of the Company but not exceeding half month's basic salary for each completed year of service. Performance Incentive will not be added to the basic salary for the purpose of provident fund, gratuity, medical or commission and other perquisites.

For Provident Fund, Gratuity or any other benefit, there is ceiling limit for Basic and these benefits will be payable as per limits prescribed as per rules of the Company for above benefits from time to time.

Car(s) and telephone(s) will be provided at residence for official use. However, provision of these facilities will be subject to tax as per prevailing Income Tax rules. The Company shall bill Personal long distance calls on telephone to the said Whole Time Director.

The contribution to Provident Fund will not be included as perquisites to the extent these are not taxable under the Income Tax Act, 1961.

Leave: As per the rules of the Company, but not exceeding 21 working days per year. Unutilized leave can be carried forward and then encashed equivalent to Basic salary and as per rules of the Company in force from time to time.

All Emoluments and Perquisites will be taxable as per the provisions of the Income Tax Act, 1961.

h) Stock Options: The Whole Time Director will be granted stock options at sole discretion of the Company under the ESOP in quantities as determined by the HRNR Committee of the Board based upon the said Whole Time Director's performance and the performance of the Company from time to time.

Mr. Bhavesh H. Mehta, aged 41 is a Whole-Time Director at Compuage Infocom Limited (hereinafter referred to as "CIL"). He is a M. Com Graduate holding Master's degree in Commerce with a specialization in marketing with expertise in the areas of Operations and Supply Chain Management. He joined CIL in October 2000 and has experience of more than 19 years in the IT Distribution Business. He has been a part of the core team and key managerial person that has enabled CIL to expand over the years. Mr. Bhavesh H. Mehta was re-appointed as a Whole-Time Director of the Company by way of approval granted by the shareholders in the Annual General Meeting held on August 23, 2008 and Central Government vide its letter bearing no. A51750362-CL-VII dated July 09, 2009 for the period of 3 (three) years with an overall remuneration of ` 48, 00,000 (Rupees Forty Eight Lacs Only) payable per annum and further was re-appointed as a Whole Time Director of the Company by way of approval granted by the shareholders in the Annual General Meeting held on July 29, 2011 and Central Government vide its letter bearing No. B19710789 / 4 / 2011 - CL.VII dated March 01, 2012 for a period of 3 years with effect from October 18, 2011 to October 17, 2014 with overall remuneration of ` 1,20,00,000/- (Rupees One Crore and Twenty Lac Only) per annum.

In his long career with CIL since joining in 2000, apart from being responsible for Operations & Supply Chain Management, he advises on Business and Sales Strategies which leads to the company's growth. He has taken many challenging roles and responsibilities for driving growth in the company which includes constant endeavor to improve the systems and process, enhancing productivity and bringing new relationships on the table for the company.

Considering the above facts, Mr. Bhavesh H. Mehta's qualification and experience and his importance to the company, and has contribution in the progress of the company and his continued association would be of immense benefit to the company. Therefore as per Management, Board as well as the Human Resources, Nomination and Remuneration Committee (the 'HRNR Committee) felt for further re-appointing him for a period of 3 (three) years with effect from October 18, 2014 to October 17, 2017 and recommended to increase his remuneration to ` 1,80,00,000 (One Crore Eighty Lakhs Only) payable per annum subject to the Central Government approval & on the terms and conditions including remuneration as aforesaid mentioned.

Mr. Bhavesh H. Mehta satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible himself for re-appointment. He is not disqualified from being appointed as Directors in terms of Sec 164 of the Act.

Notwithstanding anything contained herein above stated where in any financial year closing on or after March 31, 2014 during the tenure of Mr. Bhavesh H. Mehta as a Whole Time Director of the Company, the Company incurs a loss or its profit are inadequate, the Company shall pay to Mr. Bhavesh H. Mehta the above remuneration as minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.



The Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013.

The said Director shall report to the Chairman & Managing Director of the Company who shall empower him with such requisite powers (with authority to revoke and/or amend such powers) to enable the said Director to discharge his duties with full responsibility or the area of operations under his control. The said Director shall work under the superintendence, control and direction of the Chairman & Managing Director of the Company.

The Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole Time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

A copy of the aforesaid Agreement referred to in the Resolution at Item No.9 of the accompanying Notice, is available for inspection by any member of the Company at the Registered Office of the Company during normal business hours on any working day, except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 190 of the Companies Act, 2013.

Companies (other than Compuage Infocom Limited) in which Mr. Bhavesh H. Mehta holds directorship and committee membership.

**Directorship**

Trillizo Holdings Limited  
Addonix Computers Private Limited  
Compuage Software Technologies Limited  
Greenvision Technologies Private Limited

**Chairperson of Board Committees**

None

**Member of Board Committees**

None



**Shareholding in the Company**

Mr. Bhavesh H. Mehta holds 1780485 equity shares of the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested in these resolutions.

The Board commends the SpecialResolution set out at Item No. 9 of the Notice for approval by the members.

**By Order of the Board  
For Compuage Infocom Limited**

**Mumbai  
July 30, 2014**

**Sd/-  
Regal Patel  
Company Secretary**



**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2014.

**Financial Highlights:**

The highlights of the Financial Results are

(. In Lakhs)

Particulars	Consolidated		Standalone	
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
Revenue from Operation & Other Income	236187.86	196140.12	228818.16	190505.05
Profit before Interest, Taxation & Depreciation	5352.72	4164.61	5334.77	4143.78
Less: Interest	3262.61	2665.15	3258.98	2651.69
Less: Depreciation	321.31	279.72	318.23	276.94
Profit before Tax	1768.79	1219.74	1757.56	1,215.15
Less: Provision for taxation	596.56	400.78	596.35	400.79
<b>Profit after Tax Provision</b>	<b>1172.23</b>	<b>818.96</b>	<b>1161.21</b>	<b>814.36</b>
Balance brought forward	3731.59	2990.77	3776.36	3039.35
<b>Amount available for Appropriation : Dividend</b>	<b>4903.82</b>	<b>3809.73</b>	<b>4937.57</b>	<b>3853.71</b>
Interim Dividend	-	-	-	-
Proposed Dividend	93.17	66.55	93.17	66.55
Dividend Distribution Tax	15.83	10.80	15.83	10.80
Less: Unrealised Profit	-	0.79	-	-
Less: Minority Interest	-	-	-	-
Balance Carried to Balance Sheet	4794.82	3731.59	4828.57	3776.36

**Business Performance:**

The year gone by has been good. The Company registered revenue of ` 228818.16 Lacs as against ` 190505.05 Lacs in the previous year, registering a growth of 20.10%. The Company's consolidated revenue has grown to ` 236187.86 Lacs as against ` 196140.12 Lacs in the previous year, registering a growth of 20.42%.

The Net Profit after Tax stood at ` 1161.21 Lacs as against ` 814.36 Lacs in the previous year. The Consolidated Profit after Tax stood at ` 1172.23 Lacs as against ` 818.96 Lacs in the previous year.

**Dividend:**

The Board of Directors has recommend a final dividend of ` 1.4/- per share for the year



ended 31st March, 2014 which is (14 %) on face value of ` 10/- (Rupees Ten only) each, subject to the approval of members at the ensuing Annual General Meeting.

\*The aforesaid dividend is excluding of Dividend Distribution Tax.

**Future Outlook:**

The Future outlook of the company appears to be very bright, promising and prosperous. The company has a strategy planning process and revalidates the strategy themes in order to achieve the business objectives of the company. The corporate performance is measured, monitored and managed on an on-going basis. The IT Industry remains a success story till now. With IT services and information technology enabled services have shown unprecedented growth, Compuage's growth is likely to be very good in future which will be benefited and help to grow gradually and achieve its goals. Further, with Compuage's entry into the additional business in telecom products distribution will give further boost to the company. The total revenue earned is around 19.96 % and it is expected to increase in the next few years thereby will maximize the company's profitability as well.

**Listing of Securities:**

The equity shares of the Company are listed at The Bombay Exchange Stock Limited (BSE) and Madras Stock Exchange Limited (MSE).

The Company has paid the listing fees for the year 2014-2015 to BSE and MSE.

**Subsidiary Company:**

1. Compuage Infocom (S) Pte. Ltd :

During the year Company continued to hold it's holding in Compuage Infocom (S) Pte. Ltd. a wholly owned subsidiary of the company which was formed to expand the company's business operation in SAARC Countries.

The Company has been granted exemption by the Ministry of Corporate Affairs from attaching to its Balance sheet, the Individual Annual Reports of its subsidiary Companies vide its. General Circular No: 2/2011 and General Circular No: 3/2011 dated Feb 8, 2011 and Feb 21, 2011 respectively. As per the terms of the Circular, a statement containing the brief financial details of the Companies Subsidiaries for the year ended March 31, 2014 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the Registered Offices of the respective subsidiary Companies.

**Information Technology:**

Compuage continues to upgrade its IT infrastructure and has a solid backbone to support the business.

**Internal Audit:**

Compuage has implemented with new software namely "SAP" replacing EPR Software for smooth running of accounting & financial functions of the company. The company also has its own internal audit team for internal audit of its various business activities. This team monitors the entire business operations from its centralized database in Mumbai. It reports directly to the Audit Committee which is chaired by a Non Executive Independent Director.



**Directors:**

Your Company has Five Directors including Three Independent Directors in consonance with Corporate Governance norm specified in the Clause 49 of the Listing Agreement with the Stock Exchanges.

During the year, no director has been appointed or resigned from the Board of Directors of the Company.

Mr. Bhavesh H. Mehta retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ganesh S. Ganesh, Director of the Company be and is hereby appointed as an Independent Director of the Company, to hold office for a period of five consecutive years from April 01, 2014 upto March 31, 2019 subject to the approval of the members at the ensuing Annual General Meeting.

Pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay Agarwal, Director of the Company be and is hereby appointed as an Independent Director of the Company, to hold office for a period of five consecutive years from April 01, 2014 upto March 31, 2019 subject to the approval of the members at the ensuing Annual General Meeting.

Pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Preeti K. Trivedi, Director of the Company be and is hereby appointed as an Independent Director of the Company, to hold office for a period of five consecutive years from April 01, 2014 upto March 31, 2019 subject to the approval of the members at the ensuing Annual General Meeting.

The Company has received requisite notices in writing from member proposing Mr. Ganesh S. Ganesh, Mr. Vijay Agarwal, Mrs. Preeti K. Trivedi for appointment as an Independent Directors and Bhavesh H. Mehta as a Whole-time Director .

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Auditors:**

M/s. B.V.Dalal & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment to hold office until the conclusion of the third consecutive Annual General Meeting hereafter (subject



to ratification by the members at every Annual General Meeting held hereafter), at a remuneration and other terms as may be determined by the Audit Committee and finalized by the Board of Directors of the Company.

The Company has received a letter from them to the effect that their re-appointment as Statutory Auditor, if made, would be within the prescribed limit under Section 139 & 142 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under.

**Auditors' Report**

The report of the Auditor and notes forming part of Accounts are attached along with the Annual Report. There is no qualification in the Audit report and Notes are self explanatory.

**Fixed Deposit:**

The Company has accepted the Fixed Deposits and complied the provisions of Section 58A of the Companies Act, 1956 and rule thereon and any other applicable provisions of the Companies Act, 2013 and the Rules made there under.

**Depository System:**

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in dematerialized form. The Company also offers simultaneous dematerialisation of the physical shares lodged for transfer.

**Status of Dematerialisation of Shares:**

NSDL and CDSL have allotted ISIN No. INE070C01029 for compulsorily Dematerialization of Shares.

**Directors' Responsibility Statement:**

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i. That in preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. That the directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2014 and the profit of the Company for the year under review;
- iii. That proper and sufficient care has 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;
- iv. That the annual accounts for the year ended 31st March, 2014 have been prepared on a 'going concern basis'.

**Corporate Governance:**

As required by Clause 49 of the Listing Agreement, a separate Report on Corporate Governance forms part of the Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms part of this report.



**Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo:**

A. The particulars relating to conservation of energy and techniques are not relevant to the Company since the Company is not engaged in any manufacturing activities and hence there is not much scope and concern to this matter for the company to take any meaningful action.

**B. Earning in Foreign Exchange:**

Mercantile Trade as on 31st March, 2014 is ` 8840.39 Lacs as against ` 6891.20 Lacs in the previous year.

The payment of foreign exchange outgoes are as under:

1. Valuation of Imports calculated on C.I.F. basis for one year period ended 31st March, 2014 is ` 43,133 Lacs. ( ` 35,353 Lacs in previous year)	(Current Year)	(Previous Year)
2. Expenditure in Foreign currency: ( ` in Lacs)		
Traveling	24.79	19.77
Mercantile Trade Purchase	8723.02	6775.99

**Disclosure under Section 164 (2)**

None of the Directors of the Company are disqualified from being appointed as directors as specified under sub-section (2) of Section 164 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under.

**Particulars of Employeee:**

Statement of Particulars of Employees under Section 217 2(A) for the period ended 31st March, 2014.

Name (Age)	Designation, Nature of duties & Date of commencement of Employment	Qualification / Experience	Gross Remuneration	Last Employment Designation / Name of Company
*Atul H. Mehta (54)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA - U.S.A (26)	1,20,00,000 (w.e.f 08.09.2011)	Compuage Electronics Ltd. Chairman & Managing Director
*Bhavesh H. Mehta (41)	Whole-time Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (19)	1,20,00,000 (w.e.f 18.10.2011)	Compuage Electronics Ltd. Director

Note:

- \* 1. Nature of employment is contractual.
- 2. The above amounts does not include provision of gratuity and leave encashment.

**Human Resources:**

Our Company believes that people and their experience are our biggest assets. Their experience, efforts and dedication are the primary reasons for our consistent growth over the years. In a business model where people are the growth drivers, we are endowed



with one of the best talent pool in the industry. We empower our employees at all stages of their careers and provide opportunities to enable them to excel in their individual capacities. We have created an exciting work environment that values individual contribution and helps gain a sense of satisfaction and accomplishment.

We believe in developing the potential of each employee and aid his/her growth as an individual and a professional. We believe this will enhance our prospects and ensure faster growth of our Company. In view of this we have laid down a comprehensive set of policies aiming at attracting, retaining and motivating employees.

We believe in training our employees and keeping them abreast on the developments in the industry. To this effect, we have undertaken onsite and offsite training programs for our employees. The main focus area for conducting training programmes is team building and to change the attitude of the people towards work and to encourage the employees to come up with innovative ideas.

The development and use of human potential and a learning organization is our bridge to continued success in the future.

**Consolidated Financial Statements:**

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchange, the consolidated financial statement have been prepared by the company in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India. The audited consolidated financial statement together with the Auditors' Report form part of the Annual Report.

The Consolidated Net Worth of the company and its subsidiary as on 31st March, 2014 is ` 7038.9 Lacs.

The Consolidated Net Profit of the company and its subsidiary amounted to ` 1172.23 Lacs for the financial year ended 31st March, 2014.

**Acknowledgements:**

Your Directors takes this opportunity to express their deep sense of gratitude to the shareholders, employees, customers, vendors, banks for the support and faith reposed in the company. We also thank the Central and State Government and their department and local authorities for their continued guidance and support.

We also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of Compuage Family across the world. Place: Mumbai

Date: 27th May, 2014

For and on behalf of the Board of Directors  
For **Compuage Infocom Limited**

**Registered Office:**  
D-601/602 & G-601/602,  
Lotus Corporate Park,  
Graham Firth Steel Compound,  
Western Express Highway,  
Goregaon (East), Mumbai - 400 063.

sd/-  
**Atul H. Mehta**  
**Chairman and Managing Director**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview

#### Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements, based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### Economic Overview

2013 was a year of recovery for the global economy. 2013-14 witnessed two great stories in the world economy: the structural shift from the developed world towards the emerging world; and the cyclical climb out of a recession. The first continued in first half of the financial year, but at a slightly slower pace than before. Growth in China, at 7.5 percent, was its slowest for 23 years. Things also slowed in India, to a little below 5 per cent, far slower when compared to the past eight years. Africa, encouragingly, grew by more than 5 per cent. As for the second story, in the developed world what had started as an uneven and patchy recovery began to strengthen. The US, despite having to cope with feuding over its budget, seems to have sped up. It has been creating jobs and its housing market improved sharply. In Europe there was a better story too, though an uneven one. The north, led by Germany, had a solid year, reducing unemployment and boosting living standards. Across the Mediterranean the pattern was more disappointing, with Italy, Spain, Portugal and Greece all enduring a year of rising unemployment. However, the numbers have started to improve. Europe and the euro are not out of trouble, but the acute phase of their difficulties may be past. 2014-15 expects to deliver with much better and more balanced growth than any year since 2007.

#### Industry Outlook

Changing economic and business conditions, evolving consumer's preference, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives, such as revenue growth, profitability and asset efficiency.

Technology has evolved from merely driving cost efficiency. It is now also driving tangible business value. The ability to define, design, develop, implement and maintain advance



technology platforms and business solutions to address business needs has become competitive advantage and a priority for corporations worldwide.

As a result, there is an increasing need for highly-skilled professionals in the market to help corporations transform their business, optimize operations and drive innovation by leveraging technology.

#### The India advantage:

India is widely recognized as the premier destination for offshore technology services. Accordingly to the NASSCOM press release issued in February 2014, IT-BPM services export revenues from India are expected to grow to US\$ 97-\$99 billion in fiscal year 2014, a growth of 13% - 15% over fiscal year 2013. Domestic revenues are estimated to grow to `1,250 - `1,280 billion in fiscal year 2015, which is a growth of 9% - 12% compares to fiscal year 2014.

#### Future Outlook

The Future outlook of the company appears to be very bright, promising and prosperous. The company has a strategy planning process and revalidates the strategy themes in order to achieve the business objectives of the company. The corporate performance is measured, monitored and managed on an on-going basis. The IT Industry remains a success story till now. With IT services and information technology enabled services have shown unprecedented growth, Compuage's growth is likely to be very good in future which will be benefited and help to grow gradually and achieve its goals. Further, with Compuage's entry into the additional business in telecom products distribution will give further boost to the company. The total revenue earned is around 19.96 % and it is expected to increase in the next few years thereby will maximize the company's profitability as well.

#### Operational Performance:

The year gone by has been good. The Company registered revenue of ` 228818.16 Lacs as against `190505.05 Lacs in the previous year, registering a growth of 20.10%. The Company's consolidated revenue has grown to ` 236187.86 Lacs as against ` 196140.12 Lacs in the previous year, registering a growth of 20.42%.

The Net Profit after Tax stood at ` 1161.21 Lacs as against ` 814.36 Lacs in the previous year. The Consolidated Profit after Tax stood at ` 1172.23 Lacs as against ` 818.96 Lacs in the previous year.

#### Landmark Events:

In the year gone by Compuage has continued to invest in infrastructure, reach and product portfolio all of which shall enable the company to continue its growth. New products signups include Asus- Tablets & Phones, HP- Tablets & TFTs, Maxx Mobile Phone. Compuage has also implemented new software namely "SAP" replacing earlier EPR Software for smooth running of accounting & financial functions of the Company.





**SWOT Analysis**

**Strengths:**

- The company has over 26 years of existence in Indian market and has posted sales growth of 19.96 % CAGR over the past 3 years
- It has well established distribution network across the country
- It has presence in all 27 states of country with integrated ERP system
- The Company has highly motivated sales team
- The Company enjoys extremely good credibility in the industry

**Weakness:**

- The Company has high finance cost
- It is operating in low margin industry

**Opportunities:**

- Domestic IT hardware industry is expected to have double digit growth
- The rapidly growing telecom industry offers huge opportunities
- It is serving SAARC countries through its Singapore Subsidiary

**Threats:**

- Global IT distribution companies may enter Indian Market
- Fierce competition may lead to margin reduction

**Risks and Concerns**

**1. Interest Rate Fluctuations Risk:**

The nature of business in which our Company is involved requires large amount of Working Capital. Our Company has sourced working capital facilities from various banks. Any change in the interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. Any down grading in India's debt rating by the International agencies may adversely affect our ability to raise requisite finances at reasonable costs. This may adversely impact our results of operations, planned capital expenditures and cash flows.

**2. Risks Due To Company dependence on the Information Technology Industry and any radical change or downturn may have an impact on our business.**

Our revenue is predominantly derived from the sale of IT hardware products as well as telecom products. The industry is highly fragmented in nature and competitive. In case of any downturn in this industry, or if the demand does not keep in pace with the supply build-up in the industry, our business operations may be adversely affected. Further, if

we are unable to maintain an upgraded supply of new technological developments in our industry, it may adversely affect our sales revenue and impact our business.

**3. Risks relating to Supply Chain Management, any break down in the Supply Chain could affect our operations adversely.**

Supply Chain Management plays a very vital role in our business. A strong supply chain system is essential to ensure availability of stock at the branch. Ensuring shelf availability for our products warrants quick turnaround time and high level of coordination with suppliers. We rely on our supply chain and adopt operational processes to optimize our inventory position and reduce cost. We strive to keep optimum inventory at our branches and distribution centres to control our working capital requirements. We have set up distribution centres for efficient storage and timely delivery of material to our channel partners. This helps us to minimize lead time and better utilization of working capital. An inefficient supply chain management could adversely affect the results from operations.

**4. A slowdown in economic growth in India could cause our business to suffer.**

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance.

**5. Government Policies and Regulation.**

The role of the Indian central and state governments in the Indian economy has remained significant over the years. Change in the government policy and regulations in the manner adverse to the company, may have a material impact on the profitability of the company.

**Risk Management**

The Company has established a well defined process of risk management, wherein the identification, analysis and assessment of various risks, measuring the probable impacts of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. The company has identified and categorized risks in the areas of Operations, Finance & Marketing, Regulatory Compliances and Corporate matter. Necessary internal control systems have also been put in place by the company on various activities across the Board to minimize the impact of various risks. A well defined and established system of internal audit is also in place to independently review and strengthen these control measures. The Audit committee of the company regularly reviews the report of the internal Auditors and recommends actions for further improvement of the internal controls and remedy for any weakness in the system.

**Internal Controls:**

Compuage's well defined organization structure, policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilization and protection



of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

- à Compuage has adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly.
- à Compuage's internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with laws, regulations & policies, plans and statutory requirements.
- à Compuage has an exhaustive budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.
- à Compuage's Audit Committee of the Board reviews the findings and recommendations of the internal auditor.

The system is improved and modified continuously to meet changes in business conditions, statutory and accounting requirements.

**Human Resources:**

Our Company believes that people and their experience are our biggest assets. Their experience, efforts and dedication are the primary reasons for our consistent growth over the years. In a business model where people are the growth drivers, we are endowed with one of the best talent pool in the industry. We empower our employees at all stages of their careers and provide opportunities to enable them to excel in their individual capacities. We have created an exciting work environment that values individual contribution and helps gain a sense of satisfaction and accomplishment.

We believe in developing the potential of each employee and aid his growth as an individual and a professional. We believe this will enhance our prospects and ensure faster growth of our Company. In view of this we have laid down a comprehensive set of policies aiming at attracting, retaining and motivating employees.

We believe in training our employees and keeping them abreast on the developments in the industry. To this effect, we have undertaken onsite and offsite training programs for our employees. The main focus area for conducting training programmes is team building and to change the attitude of the people towards work and to encourage the employees to come up with innovative ideas.

The development and use of human potential and a learning organization is our bridge to continued success in the future.



**Disclaimer:**

This "Management Discussion and Analysis" may contain what may be considered as "forward looking statements". These statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance, or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statements, on the basis of any subsequent developments, information, or events.



**CORPORATE GOVERNANCE REPORT**

In terms of Compliance to Clause 49 of the Listing Agreement on Corporate Governance, your Company is complying with the guidelines. The report for current year is as follows:

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Auditors and the senior management.

Compuage Infocom Limited not only adheres to the prescribed corporate governance practices as per Clause 49 of the Listing Agreement with the Stock Exchanges in India (Listing Agreement), but is also committed to sound corporate governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavour to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfillment of stated goals and objectives.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

**2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established three Committees to discharge its responsibilities in an effective manner. CIL's Company Secretary acts as the Secretary to all three Committees. The Chairman and Managing Director (CMD) provide overall direction and guidance to the Board. Concurrently, the CMD is responsible for overall implementation. In the operations and functioning of the Company, the CMD is assisted by Executive Directors and a core group of senior level executives.

**3. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. She interfaces between the management and regulatory authorities for governance matters.

**4. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

**5. SELECTION OF INDEPENDENT DIRECTORS**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resource, Nomination & Remuneration Committee, for appointment, as an Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he and/or she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

**6. CORPORATE GOVERNANCE**

Your Company believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information of the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

The report on corporate governance is divided into five parts:

- I. Board of Directors
- II. Committees of the Board
- III. Disclosures
- IV. Means of Communication
- V. Shareholders Information



**I. BOARD OF DIRECTORS**

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "non business" risks. Directors possess the highest personal and professional ethics, integrity and values and are committed to representing the long term interest of the stakeholders. The Company's business is conducted by its employees under the direction of the Chairman and Managing Director and Whole-time Director and the overall supervision of the board.

The Board of Directors of the Company has appropriate composition of Executive and Non-Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the discussions and decisions on the policy matters are taken after due deliberation and in consonance with the good corporate governance practices.

Name of Director	Executive/Non Executive
Mr. Atul Mehta	Executive
Mr. Bhavesh Mehta	Executive
Mr. Ganesh S. Ganesh	Non Executive Independent
Mr. Vijay Agarwal	Non Executive Independent
Mrs. Preeti K. Trivedi	Non Executive Independent

The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors. Sixty Percent of the Directors are Independent Non Executive Directors on the Board. Hence the composition of the Board of Directors is well within the norms of Corporate Governance.

The details of the Board of directors of the Company are given below:

Name of Director	Designation	No. of Directorship in other Public Ltd. Companies	Other Companies Committee's	
			Membership	Chairmanship
Mr. Atul Mehta	Promoter, Chairman & Managing Director	2	Nil	Nil
Mr. Bhavesh Mehta	Promoter, Whole-time Director and Chief Operating Officer	2	Nil	Nil
Mr. Ganesh S. Ganesh	Non-Executive Independent	2	Nil	Nil
Mr. Vijay Agarwal	Non-Executive Independent	3	3	2
Mrs. Preeti K. Trivedi	Non-Executive Independent	Nil	Nil	Nil



Note:

1. The Directorship held by directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies of the Companies Act, 1956 and Private Limited Companies.
2. In accordance with Clause 49, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committee of all Public Limited Companies have been considered.
3. As required by the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) & Clause 49 of the Listing Agreement none of the directors hold directorship in more than 15 public companies, membership of board committees (Audit Committees/ Stakeholders Relationship Committee) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.
4. Except Mr. Atul H. Mehta, Chairman & Managing Director and Mr. Bhavesh H. Mehta, Whole-time Director are related to each other as brothers, none of the other Director is related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force).

Mr. Bhavesh H. Mehta retires by rotation and being eligible seeks re-appointment at the ensuing Annual General Meeting. A brief resume of Mr. Bhavesh H. Mehta along with the nature of his expertise and details of other directorships, committee's positions held by him and the number of shares held by him in the Company has been disclosed and forms part of the notice convening the Annual General Meeting.

**A. REVIEW OF THE BOARD**

The Board of Directors' review in their Board Meeting matters relating to:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Business risk analysis and control
- Senior executive appointment
- Compliance with statutory/regulatory requirements and review of major legal issues
- Adoption of quarterly/annual results
- Transactions pertaining to purchase/disposal of property, major provisions and write offs.



**B. BOARD MEETINGS**

The meetings of the Board of Directors are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure etc. is circulated to all the directors before the date of Board Meeting. It also highlights important matters discussed at the Audit Committee, Stakeholders Relationship Committee of the Board. Ten (10) Board Meetings were held during the financial year 2013-2014 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows;

6th May, 2013      29th May, 2013      28th June, 2013      19th July, 2013  
 9th August, 2013      29th October, 2013      11th November, 2013      5th December, 2013  
 24th January, 2014      11th February, 2014

Name of Director	Category of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last A.G.M
Mr. Atul Mehta	Promoter, Chairman & Managing Director	10	10	Yes
Mr. Bhavesh Mehta	Promoter, Whole-time Director	10	10	Yes
Mr. Ganesh S.Ganesh	Independent Director	10	3	Yes
Mr. Vijay Agarwal	Independent Director	10	4	No
Mrs. Preeti K. Trivedi	Independent Director	10	4	No

**C. DISCUSSION WITH THE INDEPENDENT DIRECTORS.**

The Board's Policy is to regularly have separate meeting with the Independent directors to update them on all business related issues and new initiatives.

In addition, the Independent Directors meet periodically in an executive session that is without any of the executive directors, or management.

**D. CODE OF CONDUCT**

The Board of Directors has adopted a Code of Conduct (Code) for Directors and Senior Management personnel one level below the Executive Directors including all Functional Heads, with an aim to ensure effective and best business practices and strict adherence to the legal requirements and which is in compliance with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchange. The Code has been posted on the Company's website.

All Directors and designated senior management cadre of the Company have affirmed compliance of the code for the year under review as per the norms of Clause 49 I (D) of the Listing Agreement. The declaration to this effect signed by the Chairman & Managing Director is annexed to this report.



**E. CEO / CMD CERTIFICATION:**

The certificate under Clause 49 V of the Listing Agreement with the Stock Exchanges, signed by the Chairman & Managing Director is annexed to this report.

**A. AUDIT COMMITTEE**

The Company has a qualified and independent Audit Committee, with Mr. Ganesh S. Ganesh, Independent Director as its Chairman. All the members of the committee have broad accounting and financial management expertise.

The Chairman of the Audit Committee regularly interacts with the Internal Auditors and Statutory Auditors of the Company to have independent discussions with them. The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are regularly invited to attend the Audit Committee meetings.

The Secretary of the Company acts as the Secretary to the Committee.

**Terms of Reference of Audit Committee:**

The terms of reference/powers of the Audit Committee have been specified by the Board of Directors and includes all aspects specified under Clause 49 of the Listing agreement, as under:

A. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditor and reviews the processes and safeguards employed by each.

**B. The role of the Audit Committee includes the following:**

- Oversight of the Company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the Replacement or removal of Statutory Auditors and fixation of audit fees.
- Approval of payment to Statutory Auditors for services rendered by the Statutory Auditors.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be incorporated in the Directors' Responsibility Statement forming part of the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the Management.



- Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with Listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendation to the Board to take needed steps in the matter.
  7. Reviewing with the management, the performance of Statutory and Internal Auditors, and adequacy of internal control systems.
  8. Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  9. Discussion with internal Auditors of any significant findings and follow-up thereon.
  10. Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. Looking into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors.
  13. Carrying out such other function as may be specifically referred to the Committee, by the Board of Directors and/or other Committee of Directors of the Company.
  14. Reviewing the following information:
    - The management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
    - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of internal Auditors.

15. The Audit Committee's powers include the following:
  - To investigate any activity within its terms of reference.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice.
  - To secure attendance of outsiders with relevant expertise, if it considers necessary

The Audit Committee was regularly updated on the findings by the Internal Auditors and the action taken thereof.

The Audit Committee met four times during the financial year 2013-2014 on the following dates;

29th May, 2013    9th August, 2013    11th November, 2013    11th February, 2014

The Composition of the Audit Committee and details of meetings attended by its members are given below;

Name of Director	Category	Designation	No. of meetings	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman	4	3
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	4	4
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member	4	4

\*Mr. Vijay Agarwal, Non-Executive Independent Director have received 80,000/- as sitting fees in the F. Y 2013-14 (i.e 20,000/- per quarter)

\*Mrs. Preeti K. Trivedi, Non-Executive Independent Director have received 80,000/- as sitting fees in the F. Y 2013-14 (i.e 20,000/- per quarter)

\*Mr. Ganesh S. Ganesh, Non-Executive Independent Directors of the Company stating his unwillingness towards acceptance of sitting fees for the Board and committee meeting to be attended by him.

The previous Annual General Meetings of the Company was held on 7th September, 2013 and it was attended by the Chairman of the Audit Committee. (as mentioned above)

**B. HUMAN RESOURCE, NOMINATION & REMUNERATION COMMITTEE**

To ensure that remuneration to the Board and senior management is in line with the strategic aims of the business, the Company has a Human Resource, Nomination & Remuneration Committee. Human Resource, Nomination & Remuneration Committee reviews and approves the annual salaries, performance commissions, service agreements and other employment conditions for executive directors.



**Terms of reference of Human Resource, Nomination & Remuneration Committee**

- The Human Resource, Nomination & Remuneration Committee recommends to the Board the compensation terms including periodic revision, performance bonus, incentives, commission, other services, perquisites and benefits payable to the executive directors;
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors.
- Considering, approving and recommending to the Board the change in Designation and increase in salary of the Executive Directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate Directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our company and the shareholders.
- Such other matters as the Board may from time to time request the Human Resource, Nomination & Remuneration Committee to examine and recommend / approve.

**Composition**

The composition of the Human Resource, Nomination & Remuneration Committee and the details of meetings attended by its members are given below;

Name of Director	Category	Designation	No of meetings attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman	1
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	1
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member	1

The Secretary of the Company acts as the Secretary to the Committee.

**Remuneration Policy**

The Company's remuneration policy is based on the fundamental rule of rewarding performances as against earmarked objectives. While deciding on remuneration for Directors, the Board and Human Resource, Nomination & Remuneration Committee consider the performance of the company, current trend in the industry, the qualification of the appointee, his experience, Past performance and other relevant factors. This information is used to review the company's remuneration policies. The policy aims at attracting and retaining high caliber talent and ensures equity, fairness and consistency in rewarding the employees.



The annual variable pay of senior managers is linked to the Company's performance in general and the performance of their functions/business units for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

As and when there is a need to fix the Remuneration, the company invites outside expert person to fix the Remuneration of the Managerial Personnel.

Remuneration to Executive Directors:

Name of Director	Position	Salary & Perquisite	Service Contract
Mr. Atul Mehta	Chairman & Managing Director	**Rs. 1,20,00,000 p.a.	3 years w.e.f. 08.09.2011 to 07.09.2014.
Mr. Bhavesh Mehta	Whole Time Director	**Rs. 1,20,00,000 p.a.	3 years w.e.f. 18.10.2011 to 17.10.2014.

\*\* The Company has received the Approval from the Central Government for the above Managerial Remuneration on application made by the company.

The Non-Executive Independent Directors of the Company Mr. Vijay Agarwal and Mrs. Preeti K. Trivedi are paid sitting fees at the rate of Rs. 20,000/- for attending each Audit Committee Meeting in each quarter. The Company has received Letter dated 14th April, 2009 from Mr. Ganesh S. Ganesh, Non-Executive Independent Directors of the Company stating his unwillingness towards acceptance of sitting fees for the Board and committee meeting to be attended by him. The remuneration excludes reimbursement of expenses on actual basis to Directors for attending meetings of the Board/Committee.

Presently, the Non-executive Directors of the Company are not paid commission.

Shareholding of Non-Executive Directors

Details of the equity shares held by Non-Executive Directors as on 31st March, 2014 are as under:

Name of the Director	Nos. of Equity shares
Mr. Ganesh S. Ganesh	157
Mr. Vijay Agarwal	NIL
Mrs. Preeti K. Trivedi	NIL

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee consists of three members. The Committee meets on a regular basis to approve transfer, transmission, splitting, consolidation and rematerialisation of shares.



The scope of reference to the committee is broadly as follows:

- I. Oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc.
- II. Review of the amount lying in the unclaimed dividend account.
- III. Review of the movement in the major shareholders of the Company.
- IV. Review the performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.
  - a) The Stakeholders Relationship Committee met four times during the financial year 2013-2014 on the following dates;  
29th May, 2013 9th August, 2013 11th November, 2013 11th February, 2014
  - b) The Composition of the Stakeholders Relationship Committee and details of meetings attended by its members are given below;

Name of Director	Category	Designation	No. of meetings attended
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Chairperson	4
Mr. Atul H. Mehta	Chairman & Managing Director	Member	4
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Member	3

- c) Name, Designation and Address of Compliance Officer:  
Ms. Regal Patel  
Company Secretary & Compliance Officer  
Compuage Infocom Limited  
D-601/602 & G-601/602, Lotus Corporate Park,  
Graham Firth Steel Compound, Western Express  
Highway, Goregaon (East), Mumbai - 400 063.  
Tel No: 022- 67114444  
Fax No: 022- 67114445
- d) Number of Shareholder Complaints received during the year :33
- e) Number of Complaints not solved to satisfaction : 0
- f) Number of Complaints pending : 0

**Subsidiary Companies:**

Your Company does not have a material non-listed Indian subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or networth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Clause 49 (III) of the Listing Agreement.

The Audit Committee reviews the financial statements including investments by the unlisted subsidiary companies of the Company. Also, copies of the minutes of the subsidiary companies of the Company are placed before the Board of the Company on a periodical basis.



**GENERAL BODY MEETINGS**

1. Location, date and time of General Meetings held in last 3 years:

Year	AGM/ EGM	Date	Time	Venue	Special Resolutions
2012-13	14th AGM	07.09.2013	10.00 a.m	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	No Special Business
2011-12	13th AGM	30.08.2012	10.00 a.m	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	No Special Business
2011-12	EGM	16.08.2011	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	Allotment of 480,000 Equity Shares on preferential basis to the Non Promoters Group of the Company.
2010-11	12th AGM	29.07.2011	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034.	1) Re- appointment of Mr. Atul H. Mehta as Managing Director 2) Re- appointment of Mr. Bhavesh H. Mehta as Whole-time Director 3) Alteration in Articles of Association of the Company.

No special resolution was passed through postal ballot during the year and no special resolution is proposed to be passed by the way of postal ballot at the forthcoming Annual General Meeting.

**III. DISCLOSURES:**

- a) There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.
- b) Lists of transactions with related parties are provided in the Balance Sheet in accordance with Accounting Standard (AS) 18.
- c) The Company has complied with the requirements of the Stock Exchange/ SEBI/ other Statutory Authorities on all matters related to capital markets wherever applicable. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities relating to the above.
- d) The Company has implemented the mandatory requirements of Corporate





Governance as set out in the Listing Agreement in respect of Compliance with the non-mandatory requirements, the Company has constituted a Human Resource, Nomination & Remuneration Committee, the details whereof are given under the heading "Human Resource, Nomination & Remuneration Committee".

- e) As required by Clause 49 (V) of the Listing Agreement, the CEO and VP-Finance have given their Certificate to the Board.
- f) Compliance Certificate as required under Clause 49 of the Listing Agreement obtained from Practicing Chartered Accountant, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is given as an Annexure to this Report.
- g) Qualifications in the Auditors Report: There are no qualifications in the Auditors Report for the year ended 31st March, 2014.

**Secretarial Audit**

- i) Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- ii) A qualified Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ("Depositories") and the total issued and listed capital. The audit report confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

**IV. MEANS OF COMMUNICATION**

- I. **Quarterly/Half Yearly/Annual Results:** The quarterly/ half yearly/ annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in one English Daily and one Marathi daily news papers, normally results are published in Business Standard and Navshakti Times where the registered office of the company is situated.
- II. **Website:** The Company's website [www.compuageindia.com](http://www.compuageindia.com) contains a separate dedicated section 'Investor Relations' where the latest shareholders information is available. The Quarterly, Half Yearly & Annual Results are regularly posted on the website. Annual Report is also available on the website in a user-friendly and downloadable form.
- III. **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.
- IV. The Consolidated Financial Statements of the Company and its subsidiaries forms part of the Annual Report.



- V. **Corporate Filing and Dissemination System (CFDS) Filing:** The Stock Exchanges have vide Clause 52 of the Listing Agreement, introduced the Corporate Filing and Dissemination System (CFDS) which is a portal jointly owned, managed and maintained by the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). It is a single source to view the information filed by listed companies. All disclosures and communications to the BSE and NSE are filed electronically through the CFDS portal [www.corpfiling.co.in](http://www.corpfiling.co.in). Hard copies of the said disclosures and correspondence are also filed with the BSE and NSE.
- VI. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and its current status.

**V. GENERAL SHAREHOLDERS INFORMATION**

1. Annual General Meeting	23rd August, 2014 at 10 a.m
Date	Victoria Memorial School for Blind
Time	Tardeo Road, Opp. Film Centre,
Venue	Mumbai - 400 034.
2. Board Meeting for considering of Audited Accounts	27th May, 2014
3. *Posting of Annual Report	31.07.2014
4. Book Closure Date	21st August, 2014 to 23rd August, 2014 (both days inclusive)
5. Dividend payment Date	On or before 21st September, 2014
6. Financial Year	1st April, 2013 to 31st March, 2014
7. Last date of Receipts of Proxy Forms:	21st August, 2014
8. Registered Office	Compuage Infocom Ltd. D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth Steel Compound, Western Express Highway, Goregaon (East), Mumbai - 400063.

- 9. **Listing on Stock Exchange:** Bombay Stock Exchange Ltd. (BSE)  
Madras Stock Exchange Limited (MSE)

- 10. **Scrip Code/ID:**  
Bombay Stock Exchange Ltd. (BSE) : 532456/ COMPUAGE  
Madras Stock Exchange Limited (MSE) : CIFC



**Stock Price Data:**

The monthly movement of equity share prices during the year at BSE & NSE is summarized below:

Monthly Share Price movement during the financial year ended 31st March, 2014 at BSE & NSE				
Month	*BSE		*NSE	
	High	Low	High	Low
April, 2013	42.20	37.10	36.60	36.60
May, 2013	36.60	35.25	*36.60	36.60
June, 2013	42.40	36.00	37.00	37.00
July, 2013	57.55	40.70	56.00	38.65
August, 2013	53.15	48.65	53.20	48.75
September, 2013	57.20	48.00	55.50	48.25
October, 2013	57.20	43.00	59.90	46.20
November, 2013	60.10	44.00	63.20	45.40
December, 2013	67.00	50.00	76.00	65.00
January, 2014	81.00	59.30	74.00	59.10
February, 2014	79.50	65.70	76.00	65.00
March, 2014	86.00	70.00	86.00	58.30

Source: BSE Website and NSE Website

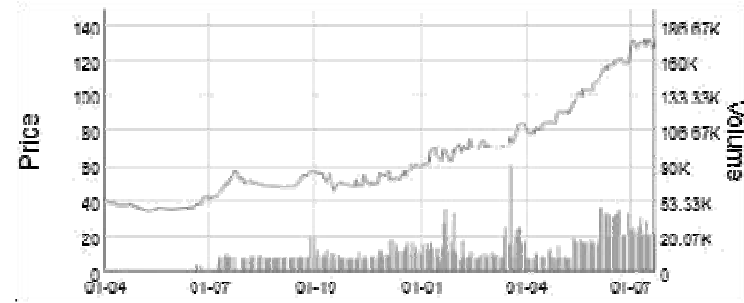
\* Pursuant to the agreement (MSE) Madras Stock Exchange Limited had entered into with (NSE) National Stock Exchange of India Limited, proviso (i) to section 13 of the Securities Contracts (Regulations) Act, 1956, the securities of our Company have been allowed for dealings on the National Stock Exchange (Capital Market Segment) with effect from 1st October, 2010 which was informed to us by MSE vide. its letter dated 30th September, 2010.

\* Monthly Share Price movement at NSE Website wasn't available for the month of May, 2013 therefore the Company has taken the high/low price on April, 2013 as mentioned aforesaid.



**Stock Performance**

The Performance of the Company's shares relative to the BSE Sensitive Index (SENSEX) is given in the Chart below:



**10. Corporate Identity Number (CIN):**

Our Corporate Identification Number, allotted by the Ministry of Corporate Affairs, Government of India is L99999MH1999PLC135914 and our Registration Number is 135914.

**11. Payment of Depository Fees:**

Annual Custody/Issuer fees for the year 2014-15 have been paid by the Company to NSDL and CDSL.

**12. Registrar & Transfer Agents (RTA):**

Name & Address : Link Intime India Private Limited  
C - 13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup (West),  
Mumbai - 400 078.

Phone No. : 022-25946970 - 78 / 25963838 / 25960320

Fax No. : 022-25946969 / 25960329

E-Mail : rnt.helpdesk@linkintime.co.in

**13. Share Transfer System and Registrar and Transfer Agent:**

The share transfers/transmissions are approved Stakeholders Relationship Committee. There are no share transfers pending as on 31st March, 2014.

The Company's Shares are required to be compulsorily traded in the Stock Exchange in the dematerialized form. Transfer of dematerialized shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the RTA of the Company, at their address mentioned above. Transfers of shares in physical form are normally processed within 10-15 days from the date of receipt, if the documents are complete in all respects.



14.(i). Distribution of shareholding as on 31st March 2014:

No. of Equity Shares held	Shareholders		Shares	
	Nos.	%	Nos.	%
Upto-500	2098	90.43	193983	2.91
501-1,000	77	3.32	58467	0.88
1,001-2,000	68	2.93	102321	1.54
2,001-3,000	19	0.82	46048	0.69
3,001-4,000	9	0.39	31944	0.48
4,001-5,000	8	0.34	38057	0.58
5,001-10,000	10	0.43	74717	1.12
10,001 - Above	31	1.34	6109463	91.80
<b>Total</b>	<b>2320</b>	<b>100.00</b>	<b>6655000</b>	<b>100.00</b>

(ii). Category of Shareholdings as on 31st March, 2014:

Category	No. of shares	% of Shareholding
Promoters & Promoters Group	4513953	67.83
Other Directors & relatives	157	0.00
Clearing Member	30885	0.46
Other Bodies Corporate and Financial Institutions	321848	4.84
Foreign Company	54725	0.82
Hindu Undivided Family	6160	0.10
Market Maker	4564	0.07
Nationalised Banks	40	0.00
Non Resident Indians	695770	10.45
Non Resident (Non Repatriable)	76	0.00
Public	1026822	15.43
<b>Total</b>	<b>6655000</b>	<b>100.00</b>



15. Financial Release Dates:

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	Mid of August 2014
2nd Quarter ending 30th September	Mid of November 2014
3rd Quarter ending 31st December	Mid of February 2014
4th Quarter ending 31st March	Mid of May 2015

16. Dematerialisation of shares and liquidity and Lock-in of Shares:

(a) Dematerialisation Position as on 31st March, 2014:

Total No. of fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
66,55,000	65,14,151	97.88	1,40,849	2.12

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both depositories in India i.e NSDL & CDSL. As on 31.03.2014 97.88% equity shares of the Company were held in dematerialized form.

Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 070C01029.

(b) Details of Locked-in Shares:

Lock- in Equity Shares allotted on preferential basis to Promoter Group:

As on 31st March, 2014, Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta promoters of the company, hold 17,80,484 shares and 17,80,485 Shares Respectively. The shares allotted on conversion of warrants are Lock- in upto:

Name of Promoter	No. of shares	Date of Allotment	Lock in release date
Atul H. Mehta	4,97,500	29/08/2011	28/08/2014
Bhavesh H. Mehta	4,97,500	29/08/2011	28/08/2014

17. Outstanding GDRs/ADRs

The Company has not issued any GDRs/ADRs, therefore question of outstanding GDRs / ADRs etc as at end of March 2014, does not arise.

18. Address for Correspondence:

The shareholders may address their communication/suggestions/grievances/queries to the Registrar and Share Transfer Agents at the address mentioned above, or to:

The Company Secretary  
Compuage Infocom Limited  
D-601/602 & G-601/602, Lotus Corporate Park,  
Graham Firth Steel Compound, Western Express  
Highway, Goregaon (East), Mumbai - 400 063.  
Tel. No.: 91-22-67114444  
Fax: 022-67114445  
Email: regal.patel@compuageindia.com

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company:



**(i) Registrar & Share Transfer Agent:**

**LINK INTIME INDIA PRIVATE LIMITED**

C-13, Pannalal Silk Mills Compound, L.B.S.  
Marg, Bhandup (W), Mumbai - 400 078.  
Tel: 91-22-25946970-78, 25963838, 25960320;  
Fax: 91-22-25946969, 25960329;  
E-mail: rnt.helpdesk@linkintime.co.in

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

(ii) Any query on Annual Report: Registered office of the Company as mentioned aforesaid.

**19. Company's Website:**

The Company has its website namely [www.compuageindia.com](http://www.compuageindia.com). This provides detailed information about the Company, products and services offered, location of its corporate office and various sales offices etc. The quarterly results, annual reports and shareholding distributions etc. are updated on the website of the Company from time to time.

20. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the following dividends which remain unpaid and unclaimed for a period of seven years will be due for transfer to the Investor Education and Protection Fund (IEPF or Fund) of the Central Government:

Dividend	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
2009-10(Final)	14.08.2010	13.08.2017	13.09.2017
2010-11(Final)	29.07.2011	28.07.2018	28.08.2018
2011-12(Interim)	11.11.2011	10.11.2018	10.12.2018
2012-13(Final)	30.08.2012	29.08.2019	29.09.2019

Shareholders who have not encashed the dividend warrant(s) are requested to return the unpaid dividend warrant(s) for revalidation or write to the Company's Registrar & Share Transfer Agent at the above address to obtain duplicate dividend warrant immediately. Please note that after such transfer no claims shall lie against the Fund or the Company in respect of individual amounts and no payment shall be made in respect of any such claims.

**DECLARATION**

**To the Members of Compuage Infocom Limited**

**Sub: Compliance with Code of Conduct**

In accordance with Clause 49(I) (D) of the Listing Agreement, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as Applicable to all the Directors and Senior Management, for the financial year ended March 31, 2014.

**For Compuage Infocom Limited**

Sd/-

**Mr. Atul H. Mehta  
Chairman & Managing Director**

Place: Mumbai

Date: 27th May, 2014



To,

The Board of Directors  
Compuage Infocom Limited  
D-601/602 & G-601/602, Lotus Corporate Park,  
Graham Firth Steel Compound, Western Express Highway,  
Goregaon (East), Mumbai - 400 063.

**Sub: Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) On Financial Statements of the Company for the year ended 31st March 2014.**

We, Atul H. Mehta, Chairman and Managing Director and Mr. Sunil Mehta (VP-Finance), of Compuage Infocom Limited, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. these financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the financial results/statements or figures contain therein misleading; and,
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee:
  - i. significant changes in internal control during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Sd/-

**Mr. Atul Mehta  
Chairman and Managing Director**

Place: Mumbai

Date: 27th May, 2014

Sd/-

**Mr. Sunil Mehta  
VP-Finance**



**Annexure to the Directors' Report**

**Auditors' Certificate on Corporate Governance.**

**To the Members of the COMPUAGE INFOCOM LIMITED**

1. We have examined compliance of the conditions of Corporate Governance by Compuage Infocom Ltd, for the year ended on 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of 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.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the Management, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the year ended 31st March, 2014, the Registrars of the Company have certified that as at 31st March 2014, there were no investor grievances remaining unattended / pending for more than 30 days.
5. We further state that such compliance is neither on assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**B. V. DALAL AND CO.**  
 CHARTERED ACCOUNTANTS  
 Firm's registration No. 114214W

**MANORI SHAH**  
 Partner  
 Membership No. 104640  
 Mumbai, May 27, 2014



**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Members of  
 Compuage Infocom Limited

**Report on the financial statements**

We have audited the accompanying financial statements of Compuage Infocom Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;



- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on legal and other regulatory requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227 (3) of the Act, we report that :
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of the written representations received from the directors, as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **B. V. Dalal & Co.**  
Chartered Accountants  
Firm's registration No. 114214W

**MANORI SHAH**  
Partner  
Membership No. 104640  
Mumbai, May 27, 2014



**ANNEXURE TO THE AUDITOR'S REPORT**

The Annexure referred to in our report to the members of Compuage Infocom Limited ("the Company") for the year ended 31st March 2014. We report that :

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and nature of its business. As explained to us, no material discrepancies were noticed on such verification.
  - (c) As per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.
- (ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals.
  - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of the inventories, having regard to the size of the operations of the Company and the same have been properly dealt with in the books of accounts.
- (iii) (a) The Company has granted unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. There is 2 parties covered in the said register to which the Company has granted loans. The maximum amount involved during the year was ` 1,427.95 lakhs and the year end balance of unsecured loans to such parties was ` 350.47 lakhs.
  - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been given to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
  - (c) We have been informed that the terms of payment of the principal amount and interest during the year have not been stipulated.



## COMPUAGE INFOCOM LTD.

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- (d) There is no overdue amount in excess of ` 1 lakh. Accordingly, clause 4(iii)(d) of the Order is not applicable to the Company.
- (e) The Company has taken unsecured loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956. There are 14 parties covered in the said register from which the Company has taken loans. The maximum amount involved during the year was ` 2,186.72 lakhs and the year-end balance of unsecured loans taken from such parties was ` 2,186.72 lakhs.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (g) The payment of the principal amount and interest during the year have been regular.
- (iv) 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 sale of goods. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register required to be maintained under the said Section have been duly entered.  
(b) In our opinion, the transactions made in pursuance of such contracts or arrangements as reported vide clause (a), have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The provisions of section 58AA are not applicable there being no acceptance of deposits from small depositors. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.



## COMPUAGE INFOCOM LTD.

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- (viii) As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 209(1)(d) of the Act and the relevant Notification G.S.R.277• dated 24th April 2001 of the Government are not applicable to the Company being a trading company.
- (ix) (a) According to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. There are no debenture holders.
- (xii) In our opinion and 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.
- (xiii) 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 Order are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore the provisions of clause 4(xv) of the Order are not applicable to the Company.



- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which loans were obtained.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, the funds raised on short term basis during the year have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Therefore the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B. V. Dalal & Co.**  
Chartered Accountants  
Firm's registration No. 114214W

**MANORI SHAH**  
Partner  
Membership No. 104640  
Mumbai, May 27, 2014

**BALANCE SHEET AS AT 31ST MARCH 2014.**

IN LAKHS

Particulars	Note No.	31st March 2014	31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	665.50	665.50
(b) Reserves and Surplus	4	6,415.08	5,362.87
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	512.42	973.41
(b) Deferred Tax Liabilities (Net)	6	273.73	197.38
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	21,721.07	20,670.03
(b) Trade Payables	8	22,776.34	17,020.24
(c) Other Current Liabilities	9	1,599.92	2,571.93
(d) Short term provisions	10	294.64	77.35
<b>Total Equity &amp; Liabilities</b>		<b>54,258.70</b>	<b>47,538.71</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	4,110.13	4,026.89
(b) Non-current investments	12	73.92	68.28
(c) Long term loans and advances	13	5.21	5.21
(d) Other non-current assets	14	10.38	26.98
<b>(2) Current Assets</b>			
(a) Inventories	15	20,309.15	18,996.43
(b) Trade receivables	16	22,594.07	18,082.66
(c) Cash and Bank Balances	17	3,951.49	3,439.36
(d) Short-term loans and advances	18	3,089.51	2,811.28
(f) Other current assets	19	114.84	81.62
<b>Total Assets</b>		<b>54,258.70</b>	<b>47,538.71</b>

Summary Of Significant accounting policies 2

The accompanying Notes are an integral part of the Financial statements. This is the Balance Sheet referred to in our Report of even date.

For **B.V.DALAL & Co.**  
Firm Reg. No. : 114214W  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**

**(CA M.S.SHAH)**

Partner  
M.NO.:104640

**G. S. Ganesh**  
Director

**Bhavesh H.Mehta**  
Whole Time Director

**Atul H.Mehta**  
Chairman & Managing Director

PLACE : **MUMBAI**  
DATED : **27th May 2014**





STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014.

Particulars	Note No.	IN LAKHS	
		31st March 2014	31st March 2013
I Revenue from operations	20	2,27,493.44	1,89,641.82
II Other Income	21	1324.72	863.23
<b>III. Total Revenue (I +II)</b>		<b>2,28,818.16</b>	<b>1,90,505.05</b>
<b>IV Expenses:</b>			
Purchase of Stock-in-Trade	22	2,18,645.72	1,79,681.98
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	-1,312.72	798.31
Employee Benefits Expense	24	2,170.24	2,245.19
Other Expenses	25	3,980.15	3,635.79
<b>Total Expenses (IV)</b>		<b>2,23,483.39</b>	<b>1,86,361.27</b>
V Earnings before interest,tax,depreciation and amortisation (EBITDA) (III - IV)		<b>5,334.77</b>	<b>4,143.78</b>
Finance Costs	26	3,258.98	2,651.69
Depreciation	27	318.23	276.94
<b>Profit Before Tax</b>		<b>1,757.56</b>	<b>1,215.15</b>
<b>VI Tax expense:</b>			
(1) Current tax		520.00	320.00
(2) Deferred tax		76.35	80.79
VII Profit/(Loss) for the period from continuing operations (V-VI)		<b>1,161.21</b>	<b>814.36</b>
<b>VIII Earning per equity share:</b>			
(1) Basic		17.45	12.24
(2) Diluted		17.45	12.24

The accompanying Notes are an integral part of the Financial statements.  
As per Report of even date.

For **B.V.DALAL & Co.**  
Firm Reg. No. : 114214W  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**

(CA M.S.SHAH)  
Partner  
M.NO.:104640  
PLACE : MUMBAI  
DATED: 27th May 2014

G. S. Ganesh  
Director

Bhavesh H.Mehta  
Whole Time Director

Atul H.Mehta  
Chairman & Managing Director

Cash Flow Statement for the year ended as at 31st March 2014

IN LAKHS

	31st March 2014	31st March 2013
<b>A. Cash Flows from operating activities</b>		
Net Profit Before Tax & Extraordinary items	1,757.56	1,215.15
Adjustment for:		
Depreciation	318.23	276.94
Loss/(profit) on sale of Fixed Assets	-	(0.11)
Loss/(profit) on sale of Non current investment	-	(2.66)
Loss/(profit) on sale of Current investment	-	10.22
Unrealised foreign exchange gain	(5.64)	(3.40)
Interest paid	3,258.98	2,651.69
Interest received	(1,131.75)	(711.15)
<b>Operating profit before Working Capital changes</b>	<b>4,197.39</b>	<b>3,436.68</b>
Increase /(Decrease) in Trade payables	5,756.10	2,192.49
Increase /(Decrease) in other Current Liabilities	(972.01)	(210.80)
Increase /(Decrease) in short term provisions	217.29	(0.25)
Decrease/(Increase) in Inventories	(1,312.72)	798.31
Decrease/(Increase) in Trade Receivables	(4,511.41)	(2,893.60)
Decrease/(Increase) in short term Loans & Advances	(278.23)	442.93
Decrease/(Increase) in other current assets	(33.22)	(9.41)
Decrease/(Increase) in Long term Loans & Advances	-	31.25
Decrease/(Increase) in other Non current assets	16.60	46.93
Total	(1,117.60)	397.85
Income Tax	(520.00)	(320.00)
<b>Net Cash Inflow/(Outflow) from operating activities....</b>	<b>2,559.79</b>	<b>3,514.53</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(401.47)	(2,554.00)
Sale of fixed Assets	-	1.25
Sale/(Purchase) of current investments	-	16.10
Sale/(Purchase) of non-current investments	-	154.65
Interest received	1,131.75	711.15
<b>Net Cash Inflow/(Outflow) from Investing activities.....</b>	<b>730.28</b>	<b>(1,670.85)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Long term borrowings	(460.99)	(232.89)
Proceeds from Short term borrowings	1,051.04	1,748.80
Interest paid	(3,258.98)	(2,651.69)
Dividend & Dividend tax paid	(109.00)	(77.35)
<b>Net Cash Inflow/(Outflow) from Financing activities.....</b>	<b>(2,777.94)</b>	<b>(1,213.13)</b>
Net Increase/(Decrease) in cash and cash Equivalents.....	<b>512.13</b>	<b>630.57</b>
Cash and cash Equivalents as at beginning of the year	3,439.36	3,194.28
Cash and cash Equivalents as at end of the year	3,951.49	3,824.85
	<b>512.13</b>	<b>630.57</b>

We have examined the above cash Flow statement of Compuage Infocom Ltd for the year ended March 31, 2014.

As per report of even date attached

For **B.V.DALAL & Co.**  
Firm Reg. No. : 114214W  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**

(CA M.S.SHAH)  
Partner  
M.NO.:104640  
PLACE : MUMBAI  
DATED: 27th May 2014

G. S. Ganesh  
Director

Bhavesh H.Mehta  
Whole Time Director

Atul H.Mehta  
Chairman & Managing Director



**Summary of Significant accounting policies to Financial statements for the year ended 31st MARCH, 2014**

**Note 1: Corporate Information**

Compuage Infocom Limited (The Company) is a public Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It's shares are listed on the Mumbai Stock exchange and Madras Stock Exchange.

The company is engaged in trading in Computer parts and peripherals and Telecom Products. The company also provides products support services for Information Technology products.

**Notes 2: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013**

**1. Significant Accounting Policies:**

**a. Basis of Preparation:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies ( Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. Previous year figures have been regrouped wherever necessary.

**b. Use of Estimates:**

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

**c. Tangible Fixed Assets:**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



**d. Depreciation on tangible fixed assets:**

Depreciation on fixed assets is calculated on a Straight Line basis using the rates prescribed under the Schedule XIV of the Companies Act 1956. The company has used the following rates to provide depreciation on its fixed assets

Assets	Rate (SLM)
Office Premises	1.63%
Information technology Equip.	16.21%
Vehicles	9.50%
Office Equipment	4.75%
Furniture and Fixture	6.33%

**e. Lease:**

Where the company is Lessee

Finance Leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of lease liability, so as to achieve constant rate of interest of the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees , legal charges, and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight line basis at the rates prescribed in Schedule XIV of The Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classifieds as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and loss on a straight line basis over the lease term.

**f. Borrowing costs:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**g. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.



**Sale of Goods:**

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the Government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

**Income from Service:**

Revenues from Product Support Services are recognized once the service is provided and the invoice is raised. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

**Interest:**

Interest income is recognized on a time proportion basis taking into the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**h. Foreign Currency Transaction:**

Foreign currency transactions and balances.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. In certain cases foreign currency transactions are recorded at a fixed exchange rate. All exchange rate differences in respect of foreign currency transactions are dealt with in statement of Profit & Loss. All foreign currency assets and liabilities, if any as at the balance sheet date are restated at the closing rate or the forward contract rate wherever applicable.

The premium or discount arising at the inception of forward exchange contracts not intended for trading or speculation purposes is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

**i. Investments:**

Investments which are intended to be held for not more than one year from the reporting date are classified as Current Investments.

Current Investments are carried in the Financials statements at lower of cost or fair value determined on an individual investments basis.

Long Term Investments are stated at cost. Provision for diminution in value of Long term Investments is made if only such a decline is other than temporary.

**j. Inventories:**

- (i) Stock of goods traded is valued at lower of cost and net realizable value. The costs are determined on a weighted average basis.
- (ii) Saleable scrap is accounted for as and when sold.

**k. Retirement and other employee benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the years when the contributions are due.

The company has no obligation, other than the contribution payable to the provident fund.

The Gratuity is accounted for on the basis of Actuarial valuation, based on premium calculated by LIC under its Group Gratuity (Cash Accumulation) Scheme.

**l. Income Taxes:**

Tax expense comprises of current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted, at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Carrying amount of deferred tax assets are reviewed at each reporting date. The Company



writes down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current liabilities and deferred tax assets and deferred taxes relate to the same taxable entity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for the MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**m. Cash and cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments and deposits with an original maturity of three months or less.

**n. Impairment:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss if any is further provided or reversed depending on changes in circumstances.

Confirmation from Debtors and Creditors are in the process of being obtained.

Claims receivable on account of insurance are included in Trade Receivable and are accounted to the extent the company is reasonably certain of their ultimate collection.

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2014 is ` 43133 Lacs (Previous year ` 35,353 Lacs).

Expenditure in Foreign currency: ( ` in Lacs)	(Current Year)	(Previous Year)
Traveling	` 24.79	` 19.77
Mercantile Trade Purchase	` 8723.02	` 6775.99
Earning in Foreign currency: ( ` in Lacs)		
Mercantile Trade Sale	` 8840.39	` 6891.20

**Related Party Information:**

**A. Directors & their relatives:**

(Related to Interest on Loans given to the Company Etc.)

Sr. No.	Name	Relationship
1.	Atul H. Mehta	Chairman and Managing Director
2.	Aditya A. Mehta	Newpew of Atul H. Mehta
3.	Ajay H. Mehta	Brother of Atul H. Mehta
4.	Ajay H. Mehta HUF	HUF of Brother of Atul H. Mehta
5.	Atul H. Mehta HUF	HUF of Chairman and Managing Director
6.	Bhavesh H. Mehta	Whole time Director
7.	Falguni A. Mehta	Wife of Atul A. Mehta
8.	Forum B. Mehta	Wife of Bhavesh H. Mehta
9.	H. T. Mehta HUF	HUF of father of Atul H. Mehta
10.	Karishma A. Mehta	Daughter of Atul H. Mehta
11.	Manisha A. Mehta	Sister-in-law of Atul H. Mehta
12.	Raahil B. Mehta	Son of Bhavesh H. Mehta
13.	Vanita H. Mehta	Mother of Atul H. Mehta
14.	Yash A. Mehta	Son of Atul H. Mehta

**B. Other Related parties: (Enterprises significantly influenced by key management personnel).**

- 1) Trillizo Holdings Limited
- 2) Greenvision Technologies Pvt. Ltd. (Upto 30th Sept. 2013)
- 3) Compuage Infocom (S) PTE. Ltd.



## COMPUAGE INFOCOM LTD.

Transactions with related parties: (Rs. in Lakhs)

Particulars	Current Year	Previous Year
<b>Interest Paid to:</b>		
Atul H.Mehta	23.63	14.81
Bhavesh H.Mehta	29.73	14.79
Chandulal P.Mehta	-	0.30
Greenvision Technologies P.L	0.84	14.70
Ajay H.Mehta	15.84	3.94
Falguni A. Mehta	0.43	0.26
Manish A. Mehta	2.21	0.64
Forum B. Mehta	8.30	0.99
Karishma A. Mehta	2.39	0.83
Vanita H. Mehta	6.17	1.08
Yash A. Mehta	3.72	0.63
Aditya A. Mehta	0.69	0.21
Raahil B. Mehta	0.02	0.01
Ajay H. Mehta HUF	0.71	0.18
Atul H. Mehta HUF	0.02	0.01
H. T. Mehta HUF	1.89	0.31
<b>Interest Recd. From:</b>		
Greenvision Technologies P.L	236.52	229.66
<b>Remuneration Paid to:</b>		
Atul H.Mehta	120.00	120.00
Bhavesh H.Mehta	120.00	120.00
Manisha Mehta	4.80	4.80
<b>Incentive Paid to :</b>		
Compuage S.Pte.Ltd	7.19	8.46
<b>Purchases of Goods from:</b>		
Greenvision Technologies P.L	1013.47	1761.44
<b>Sales of Goods to:</b>		
Greenvision Technologies P.L	877.64	1292.67
Compuage S.Pte.Ltd	1890.33	1650.25



## COMPUAGE INFOCOM LTD.

<b>Others:</b>		
Sale of Other Items to	-	2.97
Greenvision Technologies Pvt. Ltd.		
Rent Received from	1.73	2.57
Greenvision Technologies Pvt.Ltd.		
Installation/Warranty Charges Received	5.68	22.01
from Greenvision Technologies Pvt.Ltd.		
Other Expenses Paid to GVT	-	1.41
Other Income Recd. from GVT	0.75	5.78
<b>Outstanding receivables:</b>		
Greenvision Technologies P.Ltd.	-	1331.41
Compuage S.Pte.Ltd	485.25	-
Trillizo Holdings P.L	138.00	138.00
<b>Outstanding payables:</b>		
Atul H.Mehta	861.12	469.80
Bhavesh H.Mehta	689.80	481.40
Ajay H.Mehta	251.85	121.35
Falguni A.Mehta	53.45	3.45
Manisha A.Mehta	67.65	17.65
Forum B.Mehta	106.45	66.45
Vanita H.Mehta	80.95	46.95
Karishma A.Mehta	19.15	19.15
Aditya A.Mehta	5.50	5.50
Yash A.Mehta	29.75	29.75
Raahil B. Mehta	0.15	0.15
Ajay H. Mehta HUF	5.65	5.65
Atul H. Mehta HUF	0.15	0.15
H. T. Mehta HUF	15.10	15.10
Greenvision Technologies P.L	-	139.28
Compuage S.Pte.Ltd	-	167.90

### Segment reporting:

The Company is in the business of Distribution of Computer parts and peripherals in India having similar risks and rewards and therefore there is only one geographical and business segment.



# COMPUAGE INFOCOM LTD.

## Earning Per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Measurement of EBITDA:

As permitted by the Guidance Note on the revised Schedule VI to the companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profits/ loss from the continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance cost and tax expenses.

## Contingent Liabilities :

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

	31st March 2014	31st March 2013
Guarantees given by the Banks on behalf of the Company	5520.10	5000.00
Corporate Guarantee given on behalf of Subsidiary	299.55	271.43
Disputed demands in respect of VAT/Custom Duty (Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)	182.80	125.81

As per our report of even dated attached

For **B.V.DALAL & CO.**  
Firm Regs. No. 114214W  
CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors  
For Compuage Infocom Limited

**M.S.Shah**  
Partner  
M.NO.104640

Place : Mumbai  
Dated : 27th May 2014

**G.S Ganesh**  
Director

**Bhavesh H. Mehta**  
Whole Time Director

**Atul H. Mehta**  
Chairman &  
Managing Director



# COMPUAGE INFOCOM LTD.

## Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

### Note 3 : Share Capital

(` In Lakhs)

Particulars	31st March 2014	31st March 2013
<b>AUTHORIZED</b>		
19254000 Equity shares of `10 each	1,925.40	1,925.40
4665600 Preference shares of ` 0.10 (Ten paise) each	4.67	4.67
3369344 Preference shares of ` 10 each	336.93	336.93
	<b>2,267.00</b>	<b>2,267.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
6655000 Equity shares of `10 each fully paid	665.50	665.50
		-
Total in `	<b>665.50</b>	<b>665.50</b>

### Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	31st March 2014		31st March 2013	
	No. in Lacs	` In Lacs	No. in Lacs	` In Lacs
<b>At the beginning of the Period</b>	66.55	665.50	66.55	665.50
Outstanding at the end of the period	<b>66.55</b>	<b>665.50</b>	<b>66.55</b>	<b>665.50</b>

### Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of ` 10 per Share. Each holder of equity shares is entitled to one vote per share.

The Final Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2014, the amount of per share final dividend proposed as distribution to the equity shareholders is ` 1.4 (31st March 2013 : ` 1)

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

### Details of shares held by each shareholder holding more than 5% shares:

	31st March 2014		31st March 2013	
	No. in Shares	% of holding	No. in Shares	% of holding
<b>Equity shares of Rs.10 each fully paid up</b>	In Lacs		In Lacs	
<b>ATUL HARKISHANDAS MEHTA</b>	17.80	26.75%	17.80	26.75%
<b>BHAVESH HARKISHANDAS MEHTA</b>	17.80	26.75%	17.80	26.75%
<b>AJAY HARKISHANDAS MEHTA</b>	9.53	14.32%	9.53	14.32%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



# COMPUAGE INFOCOM LTD.

Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

**Note 4 : Reserve & Surplus** ( In Lakhs)

Sr. No	Particulars	31st March 2014	31st March 2013
1	Capital Reserve	134.84	134.84
2	Capital Redemption Reserve	129.72	129.72
3	Share premium	1,219.95	1,219.95
4	General Reserve	102.00	102.00
5	Surplus/(Deficit) in the statement of profit & Loss		
	Balance as per last financial statements	3,776.36	3,039.35
	Add: Profit for the year	1,161.21	814.36
	Less: Appropriations:		
	Proposed final equity dividend amount	(93.17)	(66.55)
	Rs.1.4 per share(31st March 2013: Rs. 1)		
	Tax on proposed dividend	(15.83)	(10.80)
		<u>4,828.57</u>	<u>3,776.36</u>
	<b>Total in ` (1+2+3+4+5)</b>	<b><u>6,415.08</u></b>	<b><u>5,362.87</u></b>

**Note : 5 Long Term Borrowings**

Sr. No	Particulars	31st March 2014	31st March 2013
	<b>Term Loans</b>		
	Indian rupee loan from Bank (Secured)	512.42	965.83
	<b>Other Loans and Advances:</b>		
	Finance Lease(Secured)	-	7.58
	<b>Total in `</b>	<b><u>512.42</u></b>	<b><u>973.41</u></b>

Indian rupee loan from bank carries interest @ 12.95% to 13.25% p.a. The loan is repayable in 20 equal quarterly installments commencing from September 2011 in the case of one term loan and March 2012 in the case of other 2 term loans. Interest is to be paid as and when debited, i.e on a monthly basis. All three term loans are secured by hypothecation of Office premises. Further the loans have been guaranteed by the personal Guarantee of the managing Director and by whole time director of the company.

Finance Lease is secured by hypothecation of vehicle taken on lease.

**Note : 6 Deferred Tax Liabilities(Net)** ( In Lakhs)

Sr. No	Particulars	31st March 2014	31st March 2013
1	Difference in Book & Income Tax Depreciation Under IT Act 1961	805.33	580.70
2	Total Timing Difference	805.33	580.70
	<b>Total in `</b>	<b><u>273.73</u></b>	<b><u>197.38</u></b>



# COMPUAGE INFOCOM LTD.

Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

**Note : 7 Short term Borrowings** ( In Lakhs)

Sr. No	Particulars	31st March 2014	31st March 2013
1	Cash credit from bank (secured)-net of debit balances	13,263.71	12,869.63
2	Loans & Advances From Related Parties Repayable on Demand (Unsecured)	2,186.72	1,282.50
3	Loans & Advances From Others Repayable on Demand (Unsecured)	6,270.64	6,517.90
	<b>Total in `</b>	<b><u>21,721.07</u></b>	<b><u>20,670.03</u></b>

Cash credit from banks is secured against hypothecation of Stocks & Book Debts. The cash credit is repayable on demand and carries interest @ 12% to 14.75% .

**Note : 8 Trades Payable**

Sr. No	Particulars	31st March 2014	31st March 2013
1	Dues to Micro,small & Medium Enterprises	-	-
2	Others(Net of Advances)	22,776.34	17,020.24
	<b>Total in `</b>	<b><u>22,776.34</u></b>	<b><u>17,020.24</u></b>

**Note : 9 Other Current Liabilities**

Sr. No	Particulars	31st March 2014	31st March 2013
1	Current maturities of Long Term Debt	422.54	424.15
2	<b>Others</b>		
	TDS payable	540.20	427.48
	Unpaid Dividend	7.91	9.54
	Other payable	629.27	1,710.76
	<b>Total in `</b>	<b><u>1,599.92</u></b>	<b><u>2,571.93</u></b>

**Note : 10 Short term provisions**

Sr. No	Particulars	31st March 2014	31st March 2013
1	Provision for Income Tax (Net of Advance tax paid)	175.12	
2	Provision for Gratuity	10.52	
3	Proposed Equity Dividend	93.17	66.55
4	Provision for Tax on proposed Equity Dividend	15.83	10.80
	<b>Total in `</b>	<b><u>294.64</u></b>	<b><u>77.35</u></b>



Notes to Financial statements for the year ended 31 <sup>st</sup> March, 2014 (In Lakhs)										
Particulars	Gross Block			Depreciation			Net Block			
	beginning the year	the year	Disposals during the year	Value at the end	beginning the year	Charged during the year	Disposal during the year	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013
Office Premises	2,341.98	-	-	42.03	2,341.98	38.17	-	80.20	2,261.78	2,299.95
Information Technology Equipments	1,019.36	356.35	-	1,375.71	674.43	181.20	855.63	-	520.08	344.93
Vehicles	84.38	-	-	84.38	27.57	8.02	-	35.59	48.79	56.81
Office Equipment	362.55	9.57	-	372.12	52.45	17.36	69.81	-	302.31	310.11
Furniture & Fixture	1,150.09	35.55	-	1,185.64	134.99	73.48	208.47	-	977.17	1,015.10
<b>Total</b>	<b>4,958.36</b>	<b>401.47</b>	<b>-</b>	<b>5,359.83</b>	<b>931.47</b>	<b>318.23</b>	<b>1,249.70</b>	<b>3.17</b>	<b>4,110.13</b>	<b>4,026.89</b>
<b>Previous Year</b>	<b>2048.65</b>	<b>2554.00</b>	<b>4.29</b>	<b>4958.36</b>	<b>657.70</b>	<b>276.94</b>	<b>3.17</b>	<b>931.47</b>	<b>4026.89</b>	<b>1750.97</b>

Notes to Financial statements for the year ended 31 <sup>st</sup> March, 2014			
Note : 12 Non Current Investment (In Lakhs)			
Particulars	31st March 2014	31st March 2013	
<b>Non-Trade Investments(Unquoted)</b>			
<b>Investment in Equity Instrument</b>			
46666 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of Rs 30 Each.	14.00	14.00	
<b>Trade Investments(Unquoted)</b>			
<b>Investments in Subsidiaries</b>			
1,50,000, Ordinary Shares of Compuage Infocom Pte.Ltd-Singapore	59.92	54.28	
<b>Total in `</b>	<b>73.92</b>	<b>68.28</b>	
<b>Note : 13 Long Term Loans and Advances</b>			
Particulars	31st March 2014	31st March 2013	
<b>Security Deposit</b>			
a)Unsecured Considered Good	5.21	5.21	
<b>Total in `</b>	<b>5.21</b>	<b>5.21</b>	
<b>Note : 14 Other Non Current Assets</b>			
Particulars	31st March 2014	31st March 2013	
Non-Current Bank Balances	10.38	26.98	
<b>Total in `</b>	<b>10.38</b>	<b>26.98</b>	
<b>Note : 15 Inventories</b>			
Particulars	31st March 2014	31st March 2013	
Stock-in-Trade (Valued at lower of cost and Net realisable value) (As taken, valued and certified by a Director)	20309.15	18996.43	
<b>Total in `</b>	<b>20309.15</b>	<b>18996.43</b>	
Particulars	31st March 2014	31st March 2013	
<b>Details of Stock-in-trade</b>			
Computer Components	7,104.71	7,544.44	
Computer Softwares	1,204.62	983.87	
Telecom products	6,415.95	1,457.22	
Others	5583.87	9,010.89	
<b>Total in `</b>	<b>20309.15</b>	<b>18,996.43</b>	





# COMPUAGE INFOCOM LTD.

Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

Note : 16 Trade Receivables ( ` In Lakhs)

Particulars	31st March 2014	31st March 2013
Unsecured considered good unless otherwise stated Outstanding for more than six months from the date they are due for payment		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	90.31	78.92
Others		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	22,503.76	18,003.74
<b>Total in `</b>	<b>22,594.07</b>	<b>18,082.66</b>

Note : 17 Cash & Bank balances.

Particulars	31st March 2014	31st March 2013
<b>Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
On Current Accounts	5.63	312.42
In Unpaid Dividend Account	7.91	9.54
Cash On Hand	20.77	29.49
Cheque On Hand	713.00	-
Deposits with Original maturity less than 3 months	16.85	100.91
<b>Sub Total(1)</b>	<b>764.16</b>	<b>452.36</b>
<b>Other Bank Balances</b>		
Deposits with Original maturity for more than 12 months	694.19	990.43
Deposits with Original maturity for more than 3 months but less than 12 months	2,503.52	2,023.55
<b>Sub Total(2)</b>	<b>3,197.71</b>	<b>3,013.98</b>
<b>Amount disclosed under Non-Current Assets</b>	<b>-10.38</b>	<b>-26.98</b>
<b>Total [ 1+2 ]</b>	<b>3,951.49</b>	<b>3,439.36</b>



# COMPUAGE INFOCOM LTD.

Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

Note : 18 Short Terms Loans and Advances ( ` In Lakhs)

Particulars	31st March 2014	31st March 2013
Advances recoverable in cash & kind		
Loans and Advances to Subsidiaries	350.47	-
Loans and advances to others (Unsecured considered good)	1,071.65	946.39
Others		
Loans and Advance to Employees	59.82	41.14
Advance income tax (Net of provision for Taxation)	-	1,102.66
Unjust Enrichment	80.15	-
SAD/VAT Service Tax / Receivable	1,527.42	721.09
<b>Total in `</b>	<b>3,089.51</b>	<b>2,811.28</b>

Note :19 Other Current Assets

Particulars	31st March 2014	31st March 2013
<b>Accruals</b>		
(i) Interest accrued on deposits	114.84	81.62
<b>Total in `</b>	<b>114.84</b>	<b>81.62</b>

Note : 20 Revenue from Operations

Particulars	31st March 2014	31st March 2013
Sales of products		
Traded goods	2,27,346.64	1,89,508.85
Sale of services	142.27	105.71
Sale of Scrap	4.53	27.26
<b>Total in `</b>	<b>2,27,493.44</b>	<b>1,89,641.82</b>

Particulars	31st March 2014	31st March 2013
Details of Product Sold.		
Traded goods sold		
Computer Components	85,128.70	81,451.78
Computer Softwares	29,131.74	21,111.23
Telecom products	51,825.15	28,032.38
Others	61,261.05	58,913.46
<b>Total in `</b>	<b>2,27,346.64</b>	<b>1,89,508.85</b>
Details Of Service rendered		
(i)Product Support Services	142.27	105.71
<b>Total in `</b>	<b>142.27</b>	<b>105.71</b>



# COMPUAGE INFOCOM LTD.

## Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

### Note : 21 Other Income ( In Lakhs)

Particulars	31st March 2014	31st March 2013
Interest income on Bank deposits	327.97	343.12
Others	803.78	368.03
Foreign Exchange gain(Net)	-	112.14
Profit on sale of Non current Investment	-	2.65
Profit on sale of Fixed Assets	-	0.11
Interest on IT Refund	108.35	-
Other Income	84.62	37.18
<b>Total in `</b>	<b>1,324.72</b>	<b>863.23</b>

### Note : 22 Details of purchase of Traded goods/services

Particulars	31st March 2014	31st March 2013
Computer Components	79,075.61	75,628.99
Computer Softwares	28,570.46	20,735.61
Telecom products	55,074.16	27,935.20
Others	55,925.48	55,382.19
<b>Total in `</b>	<b>2,18,645.72</b>	<b>1,79,681.98</b>

### Note : 23 (Increase)/decrease in Inventories

Particulars	31st March 2014	31st March 2013
Inventories at the end of the year		
Traded goods	20,309.15	18,996.43
Inventories at the beginning of the year		
Traded goods	18,996.43	19,794.74
<b>Total in `</b>	<b>-1,312.72</b>	<b>798.31</b>

### Note : 24 Employment Benefit Expenses

Particulars	31st March 2014	31st March 2013
Salaries & Bonus	2,037.13	2,127.47
Contribution to provident and other fund	33.39	41.97
Gratuity	9.94	2.51
Staff Welfare	89.78	73.24
<b>Total in `</b>	<b>2,170.24</b>	<b>2,245.19</b>



# COMPUAGE INFOCOM LTD.

## Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

### Note : 25 Other Expenses ( In Lakhs)

Particulars	31st March 2014	31st March 2013
Rent and compensation	639.92	622.05
Power & Fuel	71.40	68.19
Insurance	71.66	97.15
Payment to Auditor-(Refer details below)	10.50	10.50
Rates & Taxes	75.92	314.68
Loss on Sale of Current Investment	-	10.22
Foreign Exchange Loss Net	575.23	-
Miscellaneous expenses	2,535.52	2,513.00
<b>Total in `</b>	<b>3980.15</b>	<b>3,635.79</b>

### Payment to Auditor

Particulars	31st March 2014	31st March 2013
Audit fees	4.00	4.00
Taxation Matters	4.00	4.00
Other services	2.50	2.50
<b>Total in `</b>	<b>10.50</b>	<b>10.50</b>

### Note : 26 Financial Cost

Particulars	31st March 2014	31st March 2013
Interest	3,258.98	2,651.69
<b>Total in `</b>	<b>3,258.98</b>	<b>2,651.69</b>

### Note : 27 Depreciation & Amortised Cost

Particulars	31st March 2014	31st March 2013
Depreciation on tangible Assets	318.23	276.94
<b>Total in `</b>	<b>318.23</b>	<b>276.94</b>



Statement under section 212 of the Companies Act 1956 for the financial year ended 2014.

(` In Lakhs)

Particulars/ Name of the Subsidiary Company <b>Compuage Infocom (S) Pte. Ltd.</b>	
Closing Exchange Rate against INR	USD1\$=59.91 INR (As on 31/03/2014)
Capital	59.91
Reserves( incl.bal in p&l a/c)	-41.69
Total Assets( incl. investment)	1,219.26
Total Liabilities	1,219.26
Investments (except in case of investments in subsidiary)	0.00
Turnover (incl. other inc.)	9,249.21
Profit/(loss) Before Tax	10.44
Provision For Tax	0.21
Profit/(loss) After Tax	10.23
Proposed Dividend	0.00

Note:

The Company has been granted exemption by the Ministry of Corporate Affairs from attaching to its Balance sheet, the Individual Annual Reports of its subsidiary Companies vide its. General Circular No: 2 /2011 and General Circular No: 3/2011 dated Feb 8, 2011 and Feb 21, 2011 respectively. As per the terms of the Circular, a statement containing the brief financial details of the Companies Subsidiaries for the year ended March 31, 2014 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the Registered Offices of the respective subsidiary Companies.

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**

**G. S. Ganesh** Director  
**Bhavesh H.Mehta** Whole Time Director  
**Atul H.Mehta** Chairman & Managing Director

PLACE : **MUMBAI**

DATED : **27th May 2014**



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,

The Board of Directors of  
Compuage Infocom Limited

We have audited the accompanying consolidated financial statements of Compuage Infocom Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:



- a. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **B. V. Dalal & Co.**

Chartered Accountants  
Firm's registration No.  
Firm Reg. No. : 114214W

**Manori Shah**

Partner  
Membership No. 104640  
Mumbai, May 27, 2014

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

( In Lakhs)

Particulars	Note No.	31st March 2014	31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	665.50	665.50
(b) Reserves and Surplus	4	6,373.40	5,315.11
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	512.42	973.41
(b) Deferred Tax Liabilities (Net)	6	273.73	197.38
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	22,307.41	21,827.69
(b) Trade Payables	8	22,882.93	16,963.08
(c) Other Current Liabilities	9	1,622.76	2,835.88
(d) Short term provisions	10	294.64	77.35
<b>Total Equity &amp; Liabilities</b>		<b>54,932.79</b>	<b>48,855.40</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	4,114.57	4,030.02
(b) Non-current investments	12	14.00	14.00
(c) Long term loans and advances	13	10.85	5.21
(d) Other non-current assets	14	10.38	26.98
<b>(2) Current Assets</b>			
(a) Inventories	15	20,557.46	19,316.60
(b) Trade receivables	16	22,903.41	18,559.55
(c) Cash and Bank Balances	17	4,432.62	3,698.28
(d) Short-term loans and advances	18	2,774.66	3,123.14
(e) Other current assets	19	114.84	81.62
<b>Total Assets</b>		<b>54,932.79</b>	<b>48,855.40</b>

Summary Of Significant accounting policies 2

The accompanying Notes are an integral part of the Financial statements.

This is the Balance Sheet referred to in our Report of even date.

For **B.V.DALAL & Co.**  
Firm Reg. No. : 114214W  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**

**(CA M.S.SHAH)**

Partner  
M.NO.:104640

**G. S. Ganesh**  
Director

**Bhavesh H.Mehta**  
Whole Time Director

**Atul H.Mehta**  
Chairman & Managing Director

PLACE : **MUMBAI**  
DATED : **27th May 2014**



# COMPUAGE INFOCOM LTD.

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

				(` In Lakhs)	
Particulars	Note No.	31st March 2014	31st March 2013		
I Revenue from operations	20	2,34,852.32	1,95,306.40		
II Other Income	21	1,335.54	833.72		
III <b>Total Revenue (I +II)</b>		<b><u>2,36,187.86</u></b>	<b><u>1,96,140.12</u></b>		
IV <b>Expenses:</b>					
Purchase of Stock-in-Trade	22	2,25,644.87	1,84,986.44		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	-1,240.86	854.90		
Employee Benefits Expense	24	2,334.32	2,372.20		
Other Expenses	25	4,096.81	3,761.97		
<b>Total Expenses (IV)</b>		<b><u>2,30,835.14</u></b>	<b><u>1,91,975.51</u></b>		
V <b>Earnings before interest,tax,depreciation and amortisation(EBITDA) (III - IV)</b>		<b><u>5,352.72</u></b>	<b><u>4,164.61</u></b>		
Finance Costs	26	3,262.61	2,665.15		
Depreciation	27	321.31	279.72		
<b>Profit Before Tax</b>		<b><u>1768.79</u></b>	<b><u>1,219.74</u></b>		
VI <b>Tax expense:</b>					
(1) Current tax		520.21	320.00		
(2) Deferred tax		76.35	80.78		
VII <b>Profit/(Loss) for the period from continuing operations (V-VI)</b>		<b><u>1,172.23</u></b>	<b><u>818.96</u></b>		
VIII <b>Earning per equity share:</b>					
(1) Basic		17.63	12.32		
(2) Diluted		17.63	12.32		

The accompanying Notes are an integral part of the Financial statements.  
As per Report of even date attached.

For **B.V.DALAL & Co.**  
Firm Reg. No. : 114214W  
CHARTERED ACCOUNTANTS  
**(CA M.S.SHAH)**  
Partner  
M.NO.:104640  
PLACE : **MUMBAI**  
DATED: **27th May 2014**

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**  
**G. S. Ganesh**      **Bhavesh H.Mehta**      **Atul H.Mehta**  
Director      Whole Time Director      Chairman & Managing Director

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# COMPUAGE INFOCOM LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2014

			(` In Lakhs)	
			31st March 2014	31st March 2013
A. <b>Cash Flows from operating activities</b>				
Net Profit Before Tax & Extraordinary items		1768.79	1219.75	
Adjustment for:				
Depreciation		321.31	279.72	
Loss/(profit) on sale of Fixed Assets		-	(0.11)	
Loss/(profit) on sale of Non current investment		-	(2.66)	
Loss/(profit) on sale of Current investment		-	10.22	
Unrealised foreign exchange gain		(5.12)	(3.40)	
Interest paid		3,262.61	2,665.15	
Interest received		(1,142.57)	(711.15)	
Operating profit before Working Capital changes		4,205.03	3,457.52	
Increase /(Decrease) in Trade payables		5,919.85	1,786.75	
Increase /(Decrease) in other Current Liabilities		(1,213.12)	(220.83)	
Increase /(Decrease) in short term provisions		217.29	(0.25)	
Decrease/(Increase) in Inventories		(1,240.86)	854.90	
Decrease/(Increase) in Trade Receivables		(4,343.86)	(3,032.98)	
Decrease/(Increase) in short term Loans & Advances		348.48	661.08	
Decrease/(Increase) in other current assets		(33.22)	(9.41)	
Decrease/(Increase) in Long term Loans & Advances		(5.64)	31.25	
Decrease/(Increase) in Non current assets		16.6	46.93	
Total		(334.48)	117.44	
Income Tax		(520.21)	(320.00)	
<b>Net Cash Inflow/(Outflow) from operating activities...</b>		<b><u>3,350.34</u></b>	<b><u>3,254.96</u></b>	
B. <b>Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets		(405.69)	(2,554.00)	
Sale of fixed Assets		-	3.33	
Interest received		1142.57	711.15	
Sale/(Purchase) of current investments		-	16.10	
Sale/(Purchase) of non-current investments		-	154.65	
<b>Net Cash Inflow/(Outflow) from Investing activities...</b>		<b><u>736.88</u></b>	<b><u>(1,668.77)</u></b>	
C. <b>Cash Flows from Financing Activities</b>				
Proceeds from Long term borrowings		(460.99)	(232.89)	
Proceeds from Short term borrowings		479.72	2,191.79	
Issue of shares(Including premium)		-	3.40	
Interest paid		(3,262.61)	(2,665.15)	
Dividend & Dividend tax paid		(109.00)	(90.19)	
<b>Net Cash Inflow/(Outflow) from Financing activities...</b>		<b><u>(3,352.89)</u></b>	<b><u>(793.04)</u></b>	
<b>Net Increase/(Decrease) in cash and cash Equivalents...</b>		<b><u>734.34</u></b>	<b><u>793.16</u></b>	
Cash and cash Equivalents as at beginning of the year		3698.28	3207.19	
Cash and cash Equivalents as at end of the year		4,432.62	4000.35	
		<b><u>734.34</u></b>	<b><u>793.16</u></b>	

We have examined the above cash Flow statement of Compuage Infocom Ltd for the year ended March 31, 2014.

As per report of even date attached

For **B.V.DALAL & Co.**  
Firm Reg. No. : 114214W  
CHARTERED ACCOUNTANTS  
**(CA M.S.SHAH)**  
Partner  
M.NO.:104640  
PLACE : **MUMBAI**  
DATED: **27th May 2014**

For and on behalf of the Board of Directors  
For **COMPUAGE INFOCOM LIMITED**  
**G. S. Ganesh**      **Bhavesh H.Mehta**      **Atul H.Mehta**  
Director      Whole Time Director      Chairman & Managing Director

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**Summary of Significant accounting policies to Financial statements for the year ended 31st March, 2013**

**Note 1: Corporate Information**

Compuage Infocom Limited (The Company) is a public Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay stock exchange & Madras stock exchange.

The Company has one wholly owned and controlled subsidiary, Compuage Infocom (S).Pte. Ltd. (incorporated in Singapore).

The Group of Companies is engaged in trading in Computer parts, peripherals and Telecom Products.

**Notes 2: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013**

**1. Significant Accounting Policies:**

**a. Basis of Preparation:**

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21), on consolidated financial statements and AS-23 on Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements comprise the financial statements of Compuage Infocom Limited (The Company) and its subsidiaries. The Company and its subsidiaries constitute the Compuage Group. Reference in these notes to the "Company" or Compuage shall mean to include Compuage Infocom Ltd. and its subsidiaries consolidated in these financial statements unless otherwise stated. The details of the subsidiaries Companies which has been included in consolidation and the parent company's holding is as under:

**b.**

Name of the Company	Percentage Holding
1. Compuage Infocom (S).Pte. Ltd. (incorporated in Singapore)	100%

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The financial statements of the company and its subsidiaries companies have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra group transactions resulting in unrealized profits or unrealized cash losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

The excess of cost on Investment in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognized in the financial state-



ments as the goodwill. The excess of company's portion of the subsidiary over the cost of the investments there in is treated as Capital Reserve

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**c. Use of Estimates:**

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods. in future periods.

**d. Tangible Fixed Assets:**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of fixed asset is added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**e. Depreciation on tangible fixed assets:**

Depreciation on fixed assets is calculated on a Straight Line basis using the rates prescribed under the Schedule XIV of the Companies Act 1956. The company has used the following rates to provide depreciation on its fixed assets.

Assets	Rate (SLM)
Office Premises	1.63%
Information technology Equip.	16.21%
Vehicles	9.50%
Office Equipment	4.75%
Furniture and Fixture	6.33%

In case of Compuage Infocom (S) Pte. Ltd., depreciation is calculated on the straight line method so as to write off the cost of the plant and equipment over their estimated useful lives.

The annual rates used for this purpose are -

Furniture and fittings	-	3 years
Computer	-	3 years
Office equipment	-	3 years
Renovation	-	5 years



**f. Lease:**

Where the company is Lessee Finance Leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of lease liability, so as to achieve constant rate of interest of the remaining balance of the liability. Finance charges recognized as finance cost in the statement of profit and Loss. Lease management fees, Legal charges, and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight line basis at the rates prescribed in Schedule XIV of The Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight line basis over the lease term.

**g. Borrowing costs:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**h. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

**Sale of Goods:**

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the Government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

**Income from Service:**

Revenues from Services are recognized once the service is provided and the invoice is raised. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

**Interest:**

Interest income is recognized on a time proportion basis taking into the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.



**i. Foreign currency Translation**

Foreign currency transactions and balances.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. In certain cases foreign currency transactions are recorded at a fixed exchange rate. All exchange rate differences in respect of foreign currency transactions are dealt with in statement of Profit & Loss. All foreign currency assets and liabilities, if any as at the balance sheet date are restated at the closing rate or the forward contract rate wherever applicable.

**j. Investments:**

Investments which are intended to be held for not more than one year from the reporting date are classified as Current Investments.

Current Investments are carried in the Financials statements at lower of cost or fair value determined on an individual investments basis.

Long Term Investments are stated at cost. Provision for diminution in value of Long term Investments is made if only such a decline is other than temporary.

**k. Inventories:**

Stock of goods traded is valued at lower of cost and net realisable value. The costs are determined on a weighted average basis.

Saleable scrap is accounted for as and when sold.

**l. Retirement and other employee benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the years when the contributions are due.

The company has no obligation, other than the contribution payable to the provident fund.

The Gratuity is accounted for on the basis of Actuarial valuation, based on premium calculated by LIC under its Group Gratuity (Cash Accumulation) Scheme.

**m. Income Taxes:**

Tax expenses comprises of current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted, at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.



Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where The company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current liabilities and deferred tax assets and deferred taxes relate to the same taxable entity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for the MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**n. Cash and cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments and deposits with an original maturity of three months or less.

**o. Impairment :**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss, if any is further provided or reversed depending on changes in circumstances.



Confirmation from Debtors and Creditors are in the process of being obtained as yet.

Claims receivable on account of insurance are included in Trade Receivable and are accounted to the extent the company is reasonably certain of their ultimate collection.

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2014 is ` 43133 Lacs (Previous year ` 35,353 Lacs).

Expenditure in Foreign currency: ( ` in Lacs)	(Current Year)	(Previous Year)
Travelling	` 24.79	` 19.77
Interest	` 8,723.02	` 6,775.99
Earning in Foreign currency: ( ` in Lacs)		
Mercantile Trade	` 8,840.39	` 6891.20

**A. Directors & their relatives:**

(Related to Interest on Loans given to the Company Etc.)

Sr. No.	Name	Relationship
1.	Atul H. Mehta	Chairman and Managing Director
2.	Aditya A. Mehta	Newpew of Atul H. Mehta
3.	Ajay H. Mehta	Brother of Atul H. Mehta
4.	Ajay H. Mehta HUF	HUF of Brother of Atul H. Mehta
5.	Atul H. Mehta HUF	HUF of Chairman and Managing Director
6.	Bhavesh H. Mehta	Whole time Director
7.	Falguni A. Mehta	Wife of Atul A. Mehta
8.	Forum B. Mehta	Wife of Bhavesh H. Mehta
9.	H. T. Mehta HUF	HUF of father of Atul H. Mehta
10.	Karishma A. Mehta	Daughter of Atul H. Mehta
11.	Manisha A. Mehta	Sister-in-law of Atul H. Mehta
12.	Raahil B. Mehta	Son of Bhavesh H. Mehta
13.	Vanita H. Mehta	Mother of Atul H. Mehta
14.	Yash A. Mehta	Son of Atul H. Mehta





**B. Other Related parties: (Enterprises significantly influenced by key management personnel).**

- 1) Trillizo Holdings Limited
- 2) Greenvision Technologies Pvt. Ltd. (Upto 30th Sept. 2013)

Transactions with related parties: ( ` in Lacs)

Particulars	Current Year	Previous Year
<b>Interest Paid to:</b>		
Atul H.Mehta	23.63	14.81
Bhavesh H.Mehta	29.73	14.79
Chandulal P.Mehta	NIL	0.30
Greenvision Technologies P.L	0.84	14.70
Ajay H.Mehta	15.84	3.94
Falguni A. Mehta	0.43	0.26
Manish A. Mehta	2.21	0.64
Forum B. Mehta	8.30	0.99
Karishma A. Mehta	2.39	0.83
Vanita H. Mehta	6.17	1.08
Yash A. Mehta	3.72	0.63
Aditya A. Mehta	0.69	0.21
Raahil B. Mehta	0.02	0.01
Ajay H. Mehta HUF	0.71	0.18
Atul H. Mehta HUF	0.02	0.01
H. T. Mehta HUF	1.89	0.31
<b>Interest Recd. From:</b>		
Greenvision Technologies P.L	236.52	229.66
<b>Remuneration Paid to:</b>		
Atul H.Mehta	120.00	120.00
Bhavesh H.Mehta	120.00	120.00
Manisha Mehta	4.80	4.80
<b>Purchases of Goods from:</b>		
Greenvision Technologies P.L	1013.47	1761.44
<b>Sales of Goods to:</b>		
Greenvision Technologies P.L	877.64	1292.67
<b>Others:</b>		
Sale of Other Items to Greenvision Technologies Pvt. Ltd.	-	2.97
Rent Received from Greenvision Technologies Pvt.Ltd.	1.73	2.57
Installation/Warranty Charges Received from Greenvision Technologies Pvt.Ltd.	5.68	22.01
Other Expenses Paid to GVT	-	1.41
Other Income Recd. from GVT	0.75	5.78



**Outstanding receivables:**

Greenvision Technologies P.Ltd.	-	1331.41
Trillizo Holdings P.L	138.00	138.00

**Outstanding payables:**

Atul H.Mehta	861.12	469.80
Bhavesh H.Mehta	689.80	481.40
Ajay H.Mehta	251.85	121.35
Falguni A.Mehta	53.45	3.45
Manisha A.Mehta	67.65	17.65
Forum B.Mehta	106.45	66.45
Vanita H.Mehta	80.95	46.95
Karishma A.Mehta	19.15	19.15
Aditya A.Mehta	5.50	5.50
Yash A.Mehta	29.75	29.75
Raahil B. Mehta	0.15	0.15
Ajay H. Mehta HUF	5.65	5.65
Atul H. Mehta HUF	0.15	0.15
H. T. Mehta HUF	15.10	15.10
Greenvision Technologies P.L	-	139.28

**Segment reporting:**

The Company is in the business of Distribution of Computer parts and peripherals in India having similar risks and rewards and therefore there is only one geographical and business segment.

**Earning Per Share.**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**Measurement of EBITDA:**

As permitted by the Guidance Note on the revised Schedule VI to the companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profits/ loss from the continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance cost and tax expenses.



**Contingent Liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

	31st March 2014	31st March 2013
Guarantees given by the Banks on behalf of the Company	5520.10	5000.00
Corporate Guarantee given on behalf of Subsidiary	299.55	271.43
Disputed demands in respect of VAT/Custom Duty (Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)	182.80	125.81

As per our report of even dated attached

For **B.V.DALAL & CO.**  
Firm Regs. No. 114214W  
CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors of  
For Compuage Infocom Limited

**M.S.Shah**  
Partner  
M.NO.104640  
Place: - Mumbai  
Dated: -

**G.S Ganesh**  
Director

**Bhavesh H. Mehta**  
Whole Time Director

**Atul H. Mehta**  
Chairman &  
Managing Director



**Consolidated Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014**

**Note 3 : Share Capital** ( ` In Lakhs)

Particulars	31st March 2014	31st March 2013
<b>AUTHORIZED</b>		
19254000 Equity shares of `10 each	1,925.40	1,925.40
4665600 Preference shares of `0.10 (Ten paise) each	4.67	4.67
3369344 Preference shares of `10 each	336.93	336.93
	<b>2,267.00</b>	<b>2,267.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
6655000 Equity shares of `10 each fully paid	665.50	665.50
		-
Total in `	<b>665.50</b>	<b>665.50</b>

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

	31st March 2014		31st March 2013	
	No. in Lacs	` In Lacs	No. in Lacs	` In Lacs
<b>At the beginning of the Period</b>	66.55	665.50	66.55	665.50
<b>Outstanding at the end of the period</b>	<b>66.55</b>	<b>665.50</b>	<b>66.55</b>	<b>665.50</b>

**Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of `10 per Share. Each holder of equity shares is entitled to one vote per share.

The Final Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2014, the amount of per share final dividend proposed as distribution to the equity shareholders is `1.4 (31st March 2013 : `1)

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.



# COMPUAGE INFOCOM LTD.



# COMPUAGE INFOCOM LTD.

## Consolidated Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

### Note 4 : Reserve & Surplus ( ` In Lakhs)

Sr. No	Particulars	31st March 2014	31st March 2013
	<b>Capital Reserve</b>	134.84	134.84
	<b>Capital Redemption Reserve</b>	129.72	129.72
	<b>Share premium</b>	1,219.95	1,219.95
	<b>General Reserve</b>	102.00	102.00
	<b>Foreign currency translation Reserve</b>		
	Balance as per last financial statements	-2.99	-
	Add: Profit for the year	-4.94	-2.99
		-7.93	-2.99
	<b>Surplus/(Deficit) in the statement of profit &amp; Loss</b>		
	Balance as per last financial statements	3,731.59	2,990.77
	Add: Profit for the year	1,172.23	818.96
	Less: Appropriations:		
	Proposed final equity dividend amount per share Rs. 1.4 (31st March 2013:Rs.1)	-93.17	-66.55
	Tax on proposed dividend	-15.83	-10.80
	Less: Unrealised profit	-	-0.79
		4,794.82	3,731.59
	<b>Total in ` (1+2+3+4+5)</b>	<b>6,373.40</b>	<b>5,315.11</b>

### Note : 5 Long Term Borrowings

Sr. No	Particulars	31st March 2014	31st March 2013
	<b>Term Loans</b>		
	Indian rupee loan from Bank (Secured)	512.42	965.83
	<b>Other Loans and Advances:</b>		
	Finance Lease(Secured)	-	7.58
	<b>Total in `</b>	<b>512.42</b>	<b>973.41</b>

Indian rupee loan from bank carries interest @ 12.95% to 13.25% p.a. The loan is repayable in 20 equal quarterly installments commencing from September 2011 in the case of one term loan and March 2012 in the case of other 2 term loans. Interest is to be paid as and when debited, i.e on a monthly basis. All three term loans are secured by hypothecation of Office premises. Further the loans have been guaranteed by the personal Guarantee of the managing Director and by whole time director of the company.

Finance Lease is secured by hypothecation of vehicle taken on lease.

## Consolidated Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

### Note : 6 Deferred Tax Liabilities(Net) ( ` In Lakhs)

Sr. No	Particulars	31st March 2014	31st March 2013
	Difference in Book & Income Tax Depreciation Under IT Act 1961	805.33	580.70
	Loss Carried forward under IT Act, 1961		
	Total Timing Difference	805.33	580.70
	<b>Total in `</b>	<b>273.73</b>	<b>197.38</b>

### Note : 7 Short Term Borrowings

Sr. No	Particulars	31st March 2014	31st March 2013
	Cash credit from bank (secured)-net of debit balances	13,351.40	12,869.63
	Loans & Advances From Related Parties Repayable on Demand (Unsecured)	2,186.72	1,282.50
	Loans & Advances From Others Repayable on Demand (Unsecured)	6,769.29	7,675.56
	<b>Total in `</b>	<b>22,307.41</b>	<b>21,827.69</b>

Cash credit from banks is secured against hypothecation of Stocks & Book Debts. The cash credit is repayable on demand and carries interest @ 12% to 14.75% .

### Note : 8 Trades Payable

Sr. No	Particulars	31st March 2014	31st March 2013
	Dues to Micro,small & Medium Enterprises	-	-
	Others(Net of Advances)	22,882.93	16,963.08
	<b>Total in `</b>	<b>22,882.93</b>	<b>16,963.08</b>

### Note : 9 Other Current Liabilities

Sr. No	Particulars	31st March 2014	31st March 2013
	Current maturities of Long Term Debt	422.54	424.15
	<b>Others</b>		
	TDS payable	540.20	427.48
	Unpaid Dividend	7.91	9.54
	Other payable	652.11	1,974.71
	<b>Total in `</b>	<b>1,622.76</b>	<b>2,835.88</b>

### Note : 10 Short Term Provisions

Sr. No	Particulars	31st March 2014	31st March 2013
	Provision for Income Tax(Net of Advance tax paid)	175.12	
	Provision for Gratuity	10.52	
	Proposed Equity Dividend	93.17	66.55
	Provision for Tax on proposed Equity Dividend	15.83	10.80
	<b>Total in `</b>	<b>294.64</b>	<b>77.35</b>



Consolidated Notes to Financial statements for										
Note : 11 Tangible/Intangible Assets										
Particulars	Gross Block at the beginning of the year	Value during the year	Addition during the year	Disposals during the year	Foreign Currency Fluctuation	Value at the end of the year	Charged during the year	Depreciation/Disposal during the year	Foreign Currency Fluctuation	Net Block WDV as on 31.03.2014
Tangible Assets	2341.98	-	2341.98	42.03	38.17	2341.98	38.17	-	0.23	2261.78
Office Premises	1021.64	358.29	0.24	Technology Equipments	181.44	676.50	181.44	-	0.23	522.00
Vehicles	84.38	-	84.38	27.57	8.02	84.38	8.02	-	0.29	48.79
Office Equipment	365.65	11.20	377.17	54.81	18.34	377.17	18.34	-	1.02	303.73
Furniture & Fixtures	1161.10	36.20	1198.44	143.82	75.33	1198.44	75.33	-	1.54	978.27
<b>Total (Previous Year)</b>	<b>2423.69</b>	<b>2554.35</b>	<b>4.29</b>	<b>1.00</b>	<b>4974.75</b>	<b>667.53</b>	<b>279.72</b>	<b>3.17</b>	<b>0.65</b>	<b>4030.02</b>
										<b>2018.33</b>



Consolidated Notes to Financial statements for the year ended 31 <sup>st</sup> March, 2014			
Note : 12 Non Current Investment ( In Lakhs)			
Particulars	31st March 2014	31st March 2013	
Non-Trade Investments(Unquoted)			
Investment in Equity Instrument			
90416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ` 30 Each.	14.00	14.00	
<b>Total in `</b>	<b>14.00</b>	<b>14.00</b>	
Note : 13 Long Term Loans and Advances			
Particulars	31st March 2014	31st March 2013	
Security Deposit			
a)Unsecured Considered Good	10.85	5.21	
<b>Total in `</b>	<b>10.85</b>	<b>5.21</b>	
Note : 14 Other Non Current Assets			
Particulars	31st March 2014	31st March 2013	
Non-Current Bank Balances	10.38	26.98	
<b>Total in `</b>	<b>10.38</b>	<b>26.98</b>	
Note : 15 Inventories			
Particulars	31st March 2014	31st March 2013	
Stock-in-Trade (Valued at lower of cost and Net realisable value)	20,557.46	19,317.39	
(As taken, valued and certified by a Director)			
Less: Unrealised profit on unsold stock		-0.79	
<b>Total in `</b>	<b>20,557.46</b>	<b>19,316.60</b>	
Details of Stock-in-trade			
Particulars	31st March 2014	31st March 2013	
Computer Components	7,353.02	7,611.75	
Computer Softwares	1,204.62	983.87	
Telecom products	6,415.95	1,457.22	
Others	5,583.87	9,264.55	
<b>Total in `</b>	<b>20,557.46</b>	<b>19,317.39</b>	

Consolidated Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

Note : 16 Trade Receivables ( ` In Lakhs)		
Particulars	31st March 2014	31st March 2013
<b>Unsecured considered good unless otherwise stated</b>		
<b>Outstanding for more than six months from the date they are due for payment</b>		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :	90.31	78.92
<b>Others</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	22,813.10	18,480.63
c) Doubtfull	-	-
Less: Provision for doubtfull debt	-	-
<b>Total in `</b>	<b>22,903.41</b>	<b>18559.55</b>

## Note : 17 Cash &amp; Bank balances.

Particulars	31st March 2014	31st March 2013
<b>Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
On Current Accounts	391.64	483.98
In Unpaid Dividend Account	7.91	9.54
Cash On Hand	23.63	33.44
Cheque On Hand	713.00	-
Deposits with Original maturity for more than 3 months	16.85	100.91
Margin Money Deposits	92.26	83.41
<b>Sub Total(1)</b>	<b>1,245.29</b>	<b>711.28</b>
<b>Other Bank Balances</b>		
Deposits with Original maturity for more than 12 months	694.19	990.43
Deposits with Original maturity for more than 3 months less than 12 months	2,503.52	2,023.55
<b>Sub Total(2)</b>	<b>3,197.71</b>	<b>3,013.98</b>
<b>Amount disclosed under Non-Current Assets</b>	<b>-10.38</b>	<b>-26.98</b>
<b>Total [ 1+2 ]</b>	<b>4432.62</b>	<b>3698.28</b>

## Note : 18 Short Terms Loans and Advances

Particulars	31st March 2014	31st March 2013
Advances recoverable in cash & kind		
Loans and advances to others (Unsecured considered good)	1,074.22	1,211.05
<b>Others</b>		
Loans and Advance to Employees	60.81	41.14
Advance income tax (Net of provision for Taxation)	0.00	1,102.66
Umjust Enrichment	80.15	-
SAD/VAT Receivable/Cenvat available	1,559.48	765.72
Security Deposit	-	2.57
<b>Total in `</b>	<b>2,774.66</b>	<b>3,123.14</b>

Consolidated Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

Note : 19 Other Current Assets ( ` In Lakhs)		
Particulars	31st March 2014	31st March 2013
<b>Accruals</b>		
(i) Interest accrued on deposits	114.84	81.62
<b>Total in `</b>	<b>114.84</b>	<b>81.62</b>
<b>Note : 20 Revenue from Operations</b>		
Particulars	31st March 2014	31st March 2013
Sales of products		
Traded goods	2,34,705.52	1,95,173.43
Sale of services	142.27	105.71
Sale of Scrap	4.53	27.26
<b>Total in `</b>	<b>2,34,852.32</b>	<b>1,95,306.40</b>

Particulars	31st March 2014	31st March 2013
<b>Details of Product Sold.</b>		
Computer Components	92,487.58	87,033.09
Computer Softwares	29,131.74	21,112.98
Telecom products	51,825.15	28,032.38
Others	61,261.05	58,994.98
<b>Total in `</b>	<b>2,34,705.52</b>	<b>1,95,173.43</b>
<b>Details Of Service rendered</b>		
(i) Product Support Services	142.27	105.71
<b>Total in `</b>	<b>142.57</b>	<b>105.71</b>

## Note : 21 Other Income

Particulars	31st March 2014	31st March 2013
Interest income on		
Bank deposits	338.79	343.64
Others	803.78	368.03
Other Income	84.62	33.23
Interest on IT Refund	108.35	88.82
<b>Total in `</b>	<b>1,335.54</b>	<b>833.72</b>

## Note : 22 Details of purchase of Traded goods/services

Particulars	31st March 2014	31st March 2013
Computer Components	86,074.77	80,668.08
Computer Softwares	28,570.46	20,737.36
Telecom products	55,074.16	27,935.20
Others	55,925.48	55,645.80
<b>Total in `</b>	<b>2,25,644.87</b>	<b>1,84,986.44</b>



# COMPUAGE INFOCOM LTD.

## Consolidated Notes to Financial statements for the year ended 31<sup>st</sup> March, 2014

**Note : 23 (Increase)/decrease in Inventories ( ` In Lakhs)**

Particulars	31st March 2014	31st March 2013
Inventories at the end of the year Traded goods	20,557.46	19,317.39
Inventories at the beginning of the year Traded goods	19,316.60	20,172.29
<b>Total in `</b>	<b>-1,240.86</b>	<b>854.90</b>

**Note : 24 Employment Benefit Expenses**

Particulars	31st March 2014	31st March 2013
Salaries & Bonus	2,187.12	2,244.73
Contribution to provident and other fund	47.15	51.62
Gratuity	9.94	2.51
Staff Welfare	90.11	73.34
<b>Total in `</b>	<b>2,334.32</b>	<b>2,372.20</b>

**Note : 25 Other Expenses**

Particulars	31st March 2014	31st March 2013
Rent and compensation	666.18	639.24
Power & Fuel	73.19	69.51
Insurance	74.11	98.67
Payment to Auditors-(Refer details below)	12.80	12.25
Rates & Taxes	75.92	314.68
Loss on Sale of Assets	-	10.22
Foregin Exchange gain (Net)	603.54	
Miscellaneous expenses	2,591.06	2,617.40
<b>Total in `</b>	<b>4,096.81</b>	<b>3,761.97</b>

**Payment to Auditor**

Particulars	31st March 2014	31st March 2013
Audit fees	6.30	4.00
Taxation Matters	4.00	4.00
Other services	2.50	4.25
<b>Total in `</b>	<b>12.80</b>	<b>12.25</b>

**Note :26 Financial Cost**

Particulars	31st March 2014	31st March 2013
Interest	3262.61	2665.15
<b>Total in `</b>	<b>3262.61</b>	<b>2665.15</b>

**Note : 27 Depreciation & Amortised Cost**

Particulars	31st March 2014	31st March 2013
Depreciation on tangible Assets	321.31	279.72
<b>Total in `</b>	<b>321.31</b>	<b>279.72</b>

## COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

D- 601/602 COMPUAGE & 601/602, Lotus Corporate INFOCOM Park, Graham LTD Firth Steel, Compound,

Western Express Highway, Goregaon (E), Mumbai - 400 063, India

Tel No: + 91 67114444 Fax: +91 67114445

Website: www.compuageindia.com • Email id: investors.relations@compuageindia.com

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### 15th Annual General Meeting- August 23, 2014

Name of the members (s): \_\_\_\_\_ Registered address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Folio No./DP ID No. & Client ID No: \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_,

shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ 2. Name: \_\_\_\_\_ 3. Name: \_\_\_\_\_  
Add.: \_\_\_\_\_ Add.: \_\_\_\_\_ Add.: \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ E-mail Id : \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Sign.: \_\_\_\_\_ Sign.: \_\_\_\_\_ Sign.: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the company, to be held on Saturday, August 23, 2014 at 10 a.m. at Victoria Memorial School for Blind Tardeo Road, Opp. Film Centre, Mumbai- 400 034 and at any adjournment thereof in respect of such resolutions as indicated overleaf.

Signed this..... day of..... 20.... Signature of members

Signature of Proxy holder(s)

Affix  
Re. 1.00  
Revenue  
Stamp

**Note:**

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for holding the aforesaid Meeting.
2. For the Resolution, Explanatory Statements and Notes, Please refer to the Notice of 15th Annual General Meeting.
3. The proxy need not be a member of the Company.
4. Please complete all details including details of member(s) in above box before submission.



**COMPUAGE INFOCOM LTD.**

Fifteenth Annual Report 2013-14

Corporate Identification No. (CIN) L99999MH1999PLC135914

**Board of Directors**

Atul H. Mehta	- Chairman & Managing Director
Bhavesh H. Mehta	- Whole Time Director
G. S Ganesh	- (Independent)
Vijay Agarwal	- (Independent)
Preeti Trivedi	- (Independent)

**Company Secretary**

Regal Patel

**Auditors**

M/s B. V Dalal & Co, Chartered Accountants

**Registrar & Share Transfer Agents**

Link Intime India Private Limited

C-13, Pannala Silk Mills Compound, L. B. S Marg, Bhandup (West),  
Mumbai - 4000 078 • Tel: 022 25963838 • Fax: 022 25946969

**Registered Office**

D- 601/602 & G - 601/602, Lotus Corporate Park,  
Graham Firth Steel Compound, Western Express Highway,  
Goregaon (E), Mumbai - 400 063, India

**Branches**

Ahmedabad, Agra, Amritsar, Aurangabad, Bangalore, Baroda, Bhubneshwar,  
Bhopal, Chandigarh, Chennai, Coimbatore, Cochin, Calicut, Dehradun, Delhi,  
Ghaziabad, Goa, Guwahati, Guragaon, Hyderabad, Hubli, Indore, Jaipur,  
Jammu, Kolkatta, Kottayam, Lucknow, Ludhiana, Mumbai, Mangalore,  
Madurai, Nagpur, Nasik, Parwanoo, Patna, Pondicherry, Pune, Raipur,  
Ranchi, Siliguri, Surat, Trivendrum, Vizag, Vijayawada, Varansi,

**Bankers**

- 1) Bombay Mercantile Co-op Bank Limited
- 2) Central Bank of India
- 3) HDFC Bank Limited
- 4) Indian Overseas Bank
- 5) Indian Bank
- 6) ICICI Bank Limited
- 7) Kotak Mahindra Bank Limited
- 8) Standard Chartered Bank

