

Speed  
Reliability  
Value Performance

## COMPUAGE INFOCOM LTD

26<sup>th</sup> September 2016

To,  
The Corporate Services Dept.  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001.

National Stock Exchange of India Ltd.,  
Exchange Plaza,  
C-1, Block G, Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

**Sub: Submission of the 17<sup>th</sup> Annual Report of Compuage Infocom Limited for the financial year 2015-2016**

Security Code: 532456  
Security Id: COMPUAGE

Symbol: COMPINFO

ISIN: INE070C01029

Dear Sir/Ma'am,

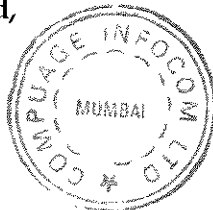
Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith 17<sup>th</sup> Annual Report of the Company for the financial year 2015-2016 approved and adopted by the members as per the provisions of Companies Act, 2013, at the 17<sup>th</sup> Annual General Meeting of the Company held on Saturday, 24<sup>th</sup> September 2016 at 10.00 a.m at the Victoria Memorial School for Blind, Tardeo Road, Opposite Film Centre, next to Girnar Tower, Mumbai - 400034.

Request you to take on record.

Thanking you,

For Compuage Infocom Limited,

Disha Shah  
Company Secretary



Place: Mumbai

Encl: As above

ANNUAL REPORT

2015-16

COMPUAGE INFOCOM LIMITED

**PASSION AND  
PREPAREDNESS**

# Corporate Information

## Board of Directors



<b>Mr. Atul H. Mehta</b>	- Chairman & Managing Director
<b>Mr. Bhavesh H. Mehta</b>	- Whole-time Director
<b>Mr. Ganesh. S. Ganesh</b>	- Independent Director
<b>Mrs. Preeti Trivedi</b>	- Independent Director
<b>Mr. Vijay Agarwal</b>	- Independent Director

## Key Managerial Personnel



**Mr. Sunil Mehta**  
- Chief Financial Officer  
**\*Ms. Disha Shah**  
- Company Secretary  
*\*(Appointed w.e.f. 1st December 2015)*

## Statutory Auditors



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

## Secretarial Auditor



**Mr. Virendra Bhatt**  
Practicing Company Secretary

## Bankers



1. Bombay Mercantile Co-op. Bank Limited
2. Central Bank of India
3. HDFC Bank Limited
4. Indian Bank
5. Kotak Mahindra Bank
6. Standard Chartered Bank
7. Ratnakar Bank Limited
8. Punjab National Bank
9. IndusInd Bank Limited
10. IDFC Bank

## Registered Office



**Compuage Infocom Limited**  
D -601/602 & G -601/602,  
Lotus Corporate Park,  
Graham Firth Steel Compound,  
Western Express Highway,  
Goregaon (East),  
Mumbai- 400 063, India.  
Tel: 022 67114444,  
Fax: 022 67114445  
CIN: L99999MH1999PLC135914

## Registrar & Share Transfer Agent



**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills  
Compound, L.B.S. Marg,  
Bhandup (West),  
Mumbai- 400 078.  
Tel: 022 25963833,  
Fax: 022 25946969

## Branches



Ahmedabad, Aurangabad, Bangalore, Baroda, Bhubneshwar, Bhopal, Chandigarh, Chennai, Coimbatore, Cochin, Calicut, Dehradun, Delhi, Ghaziabad, Goa, Guwahati, Guragaon, Hyderabad, Hubli, Indore, Jaipur, Jammu, Kolkata, Kottayam, Lucknow, Ludhiana, Mumbai, Mangalore, Madurai, Nagpur, Nasik, Parwanoo, Patna, Pondicherry, Pune, Raipur, Ranchi, Siliguri, Surat, Trivendrum, Vizag, Vijayawada, Varanasi and overseas branch at Singapore.



#### FORWARD-LOOKING STATEMENT

➤ In this Annual report, we have disclosed the Company's objectives, expectations and forecasts to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make may be forward-looking within the meaning of applicable securities laws and regulations. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. Although we believe that we have been prudent in our assumption, actual results may differ materially from those expressed in the statement. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

#### GO GREEN TODAY

➤ As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of Annual Reports and other documents of your Company sent to shareholders. Members are requested to support this green initiative by updating their email address with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

# CONTENTS

04 Outperformance	07 About us			
08 Financial Highlights	10 Chairman's overview	13 COO's perspective		16 Passion and preparedness
	18 Business model		20 Directors' Report	
39 Corporate Governance Report	54 Management Discussion and Analysis	66 Auditors' Report	72 Balance Sheet	73 Statement of Profit and Loss
74 Cash Flow Statement		76 Significant Accounting Policies and Notes	91 Auditors' Report on Consolidated Financial Statements	
	94 Consolidated Balance Sheet		95 Consolidated Statement of Profit and Loss	96 Consolidated Cash Flow Statement
		98 Accounting Policies for Consolidated Financial Statements		112 Notice

# PASSION AND PREPAREDNESS

THE INDIAN I.T. PRODUCTS DISTRIBUTION SECTOR ENCOUNTERED ONE OF ITS SLOWEST YEARS, GROWING BY A MERE 7% IN 2015-16.

COMPUAGE RESPONDED TO THIS CHALLENGING REALITY BY OUTPACING THE SECTOR AND REGISTERING PROFITABLE GROWTH.

HERE'S PROOF: COMPUAGE INCREASED ITS REVENUES BY 30.48% AND STRENGTHENED ITS PAT BY 23.16%.

THE MORAL OF THE STORY: WHEN PASSION GETS COMBINED WITH PREPAREDNESS, ANYTHING IS POSSIBLE.

## PASSION AND PREPAREDNESS LEADS TO OUTPERFORMANCE



Skeptics hinted that in a difficult market, the Company should be satisfied with flat growth.

*Compuage grew revenues 30.48% instead.*

Disbelievers felt that the slowdown would eat into the Company's margins.


*Compuage grew margins (PBT) 24 bps instead.*

Naysayers felt that the Company would need to extend credit duration to push sales.

*Compuage reduced its working capital cycle from 76 days of turnover equivalent to 70 days.*

Experts felt that an IT product distribution company would always be affected by high interest outflows.

*Compuage reduced interest outflow by 0.26% instead.*



Doubters felt that the subdued economy would escalate fund costs.

*Compuage reduced its fund cost 20 bps instead.*

Cynics felt that in a slowing economy, bad debts would increase.

*Compuage reported negligible bad debts instead.*



India is the world's second most populous country.

India is also one of the most under-penetrated markets when it comes to IT products distribution.

Compuage Infocom is one of the fastest-growing IT products distribution companies in India.

Working with some of the largest and most respectable principals in the world.

Making products available across the farthest corners of the world in the quickest time.

Enhancing IT product ownership to help make India a dynamic proxy of the modern world.

### Principals

The Company has forged longstanding ties with several marquee international tech brands including:

 <b>TE Connectivity</b> Networking products (since 1996)	 <b>Hewlett Packard</b> Printers, scanners, all-in-one, toners, laptops (since 2006)	 <b>AOC</b> Monitors (since 2008)	 <b>Microsoft</b> Licensed software (since 2011)	 <b>Relicell</b> Batteries for diverse applications (since 2011)	 <b>Asus</b> Laptops and mobiles (since 2012)	 <b>CISCO Systems</b> Networking and security products (since 2012)	 <b>K7 Computing Private Limited</b> Anti-virus software (since 2012)
 <b>ADATA Technology Company Limited</b> Flash drives and memory cards (since 2014)	 <b>Arcserve</b> Security products (since 2014)	 <b>Liteon</b> DVD writers (since 2014)	 <b>Toshiba</b> Flash drives and memory cards (since 2014)	 <b>Checkpoint</b> Networking and security products (since 2015)	 <b>SAP Business One</b> Licensed software (since 2015)	 <b>View Paker</b> Barebone PCs (since 2015)	 <b>Lenovo</b> Accessories (since 2016)
 <b>Reliance Jio</b> Mobile devices (since 2016)	 <b>TP-Link</b> Networking and security products (since 2016)	 <b>Tyco Security</b> Networking and security products (since 2016)	 <b>BenQ</b> Projectors and monitors (since 2016)	 <b>SanDisk</b> Flash drives and memory cards (since 2016)	 <b>ADC Krone</b> Networking and security products (since 2013)	 <b>Samsung</b> Smartphones (since 2011)	 <b>Numeric UPSs</b> (since 2006)

**Vision**  
A world-class IT products and services company, with strong Indian values and beliefs

- Mission**
- To distribute cutting-edge technology products and services using the best business practices and technology, thereby fulfilling and exceeding customer and vendor expectations
  - To offer a conducive work environment that will enhance opportunities for self-development and growth for its employees
  - To maximise returns and offer consistent and continued growth to its shareholders

### Identity

Established in 1987, Compuage Infocom Limited is one of India's leading IT distribution companies, with a strong IT-enabled distribution backbone.

### Presence

Headquartered in Mumbai, the Company has a visible presence in 24 states, one union territory and one overseas branch in Singapore. The Company is present across the vast Indian landmass through 42 offices, one central warehouse, three redistribution hubs, 45 warehouses and 47 service centres. The Company possesses a growing network of 10,000 channel partners across 650 cities and towns, ensuring timely product distribution across a largest geographical spread within the shortest possible time. The Company generates 50% of its revenues from B, C and D class Indian cities that account for a 40 per cent share of India's IT hardware market.

### Respect

Compuage has been growing at

a rapid pace and has in place an ambitious blueprint. The Company strengthened its credit rating from BBB to BBB+ for Long Term Bank Facilities and from A3+ to A2 for Short Term Bank Facilities (CARE). The Company's stock is listed on the BSE Limited and National Stock Exchange of India Limited; the company enjoyed a market capitalisation of Rs. 12,646.72 lac as on March 31, 2016

### Recognition

List of awards and accolades earned during FY2015-16

- 'Best National Distributor' award for year 2015 from TE Connectivity
- 'SAP Cloud Managed Partner' award for 2015
- Acknowledged by CISCO as a 'Growth Distributor' for 2015

### Compuage's values

- Integrity and fairness
- Reliability and commitment
- Team work
- Respect for all
- Human touch
- Excellence



# FINANCIAL HIGHLIGHTS

## Sales

An increase of Rs. 72,847.27 lac (FY15-16)

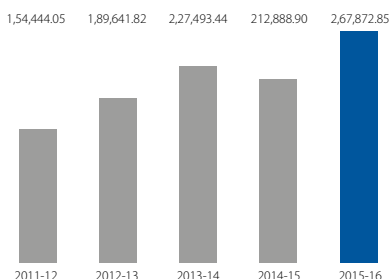
### Why this is measured

To assess the effectiveness of our product mix, geographic presence, sales focus, market proximity, network strength, brand equity and market share.

### What it reveals

Compuage registered a 30% increase in sales on the back of a prudent product mix, capable distribution network, strategic sectoral forays, robust client relationships and proven market-penetrating capabilities.

### Sales (Rs. in lac)



## EBIDTA

An increase of Rs. 581.42 lac (FY15-16)

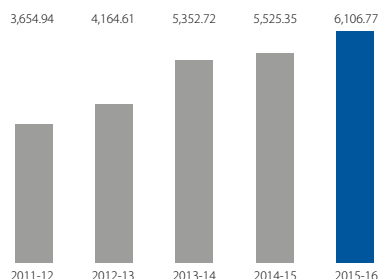
### Why this is measured

To evaluate overall business efficiency – an improvement in margins indicates that there is adequate surplus available for redeployment.

### What it reveals

Compuage grew its EBIDTA margin by leveraging its bottomline-focused business model which allowed it to moderate overheads effectively, market products cost-competitively and rein in receivables capably.

### EBIDTA (Rs. in lac)



## Free cash

An increase of Rs. 5435 lac (FY15-16)

### Why this is measured

To get an estimate of an organisation's ability to grow its business without risking its balance sheet.

### What it reveals

The free cash available at the Company's hands increased by due to its keen emphasis on expanding margins and managing working capital efficiently.

### Free cash (Rs. in lac)



## Return on capital employed

An increase of 600 bps (FY15-16)

### Why this is measured

To appraise a corporate's profitability – a steady improvement in ROCE validates its financial efficiency.

### What it reveals

The Company raised additional funds during the year whereby its Return on Capital Employed has dropped marginally. This drop is only momentary.

### Return on capital employed (%)



## Gearing

A decrease of 0.04x (FY15-16)

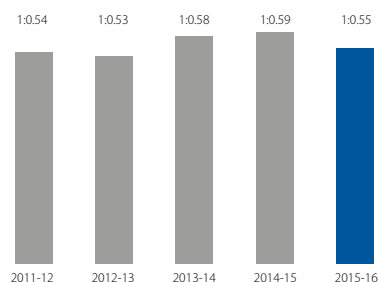
### Why this is measured

To get an insight into an organisation's financial health – a steady improvement in gearing indicates its ability to scale volumes with minimal dependence on borrowed funds.

### What it reveals

The decline in gearing corroborated the Company's ability to sustain growth in terms of profits, margins and shareholder value.

### Gearing (x)



## Interest outflow

A decrease of 27 bps (FY15-16)

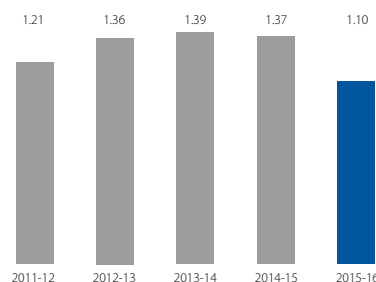
### Why this is measured

To calculate the savings made in terms of debt costs which in turn can translate into enhanced margins and profits.

### What it reveals

Compuage grew its revenues by 30.48% in 2015-16 while reducing interest outflow by 0.26%.

### Interest cost as a proportion of revenue (%)



## Overheads

A decrease of 41 bps (FY15-16)

### Why this is measured

To calculate a corporate's ability to minimise expenditures – a steady decrease indicates that it is able to meet business imperatives more effectively and rebalance resources.

### What it reveals

A moderation in overheads was the result of the Company's ERP investment that helped create a scalable foundation without proportionately increasing costs.

### Overheads cost as a percentage of revenues (%)



## Employee productivity

An increase of Rs. 63 lac (FY15-16)

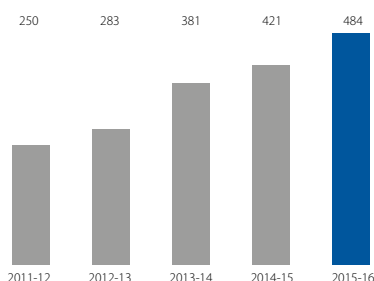
### Why this is measured

To estimate the length of time employees remain productive during the day or the frequency for which certain tasks are performed. Operationalisation of cutting-edge technological solutions can reduce a corporate's dependency on manual intervention.

### What it reveals

The Company enriched revenue earned per employee by leveraging its state-of-the-art ERP platform to scale the business without increasing its workforce.

### Revenue per employee (Rs. lac)



## Inventory cycle

A reduction of 2 days (FY15-16)

### Why this is measured

To assess a business's ability to ensure that the products which customers demand are available when and where they want them, thereby strengthening ties.

### What it reveals

The Company relied on top-of-the-line logistics management solutions to ensure reasonable levels of inventory – an improvement of 6% – and enhance its working capital efficiency (corporate and trade partners).

### Inventory (days of turnover equivalent)



## Debt cycle

A reduction of 6 days (FY15-16)

### Why this is measured

To analyse a business's ability to manage cash flow (and profitability) by speedily recovering sales proceeds from trade partners.

### What it reveals

The Company institutionalised a stringent system of checks to moderate receivables and reduce its debt cycle by 6 days of turnover equivalent.

### Debt cycle (days of turnover equivalent)



## Working capital cycle

A reduction of 6 days (FY15-16)

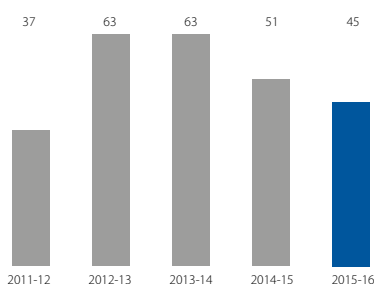
### Why this is measured

To determine the time lag between the operating cycle and the financing cycle and how much funds are presumably needed to support production.

### What it reveals

The Company strengthened its working capital cycle by 6 days of turnover equivalent reducing working capital loans and ensuring that a sizeable portion of the sanctioned limit remained unutilised.

### Working capital cycle (days of turnover equivalent)



## The Bottomline:

A well-diversified business model paired with an attractive client base with a wide suite of products and solutions enables us to report consistent and steady financial performance year-on-year.

## CHAIRMAN'S OVERVIEW

# PASSION AND PREPAREDNESS MAKES ALL THE DIFFERENCE

*Dear Shareholders,*

**THE PRINCIPAL MESSAGE THAT I WISH TO SEND OUT TO OUR STAKEHOLDERS IS THAT INDIA'S IT SECTOR IS AT AN INFLECTION POINT AND COMPUGAGE IS COMPETENTLY PREPARED TO MAKE THE MOST OF THE PLETHORA OF OPPORTUNITIES EMERGING ACROSS THE SECTORAL LANDSCAPE.**

I am optimistic about the Company's prospects because of a number of reasons. One, disposable incomes and aspirations are rising progressively. Two, a personal computer has evolved from a luxury to a necessity for the country's aspiring millions. Three, personal computers are being increasingly used by the country's agricultural sector, which represents the decisive democratisation of the product category. Four, personal computer prices have declined to a level where they are now equivalent to a family's monthly income.

These 'slow burn' factors have existed for a number of years and are likely to endure in the years ahead. This is precisely why I'm confident that the country's IT sector should continue to report steady growth.

However, the biggest game-changer is the impending broadband revolution (2017 onwards). The advent of Reliance Jio is expected to emerge as a landmark event in India's IT revolution story.

Reliance Jio is not going to be just another broadband offering. Instead, it will transform sectoral dynamics, encourage information democratisation, make the aam aadmi digital native, render geographic barriers irrelevant and bring the rural marginalised into the mainstream.

The emerging pan-India transformation will represent no less massive a revolution – in fact, bigger – than the mobile telephony revolution of the last two decades where India jumped an entire technology generation, increased teledensity from a mere 10.37 to 145.46 (2014), moderated tariffs down to the world's lowest and emerged as the world's second-largest mobile handset market.

A similar revolution is afoot in the country's IT hardware sector too. We see a scenario where the age-old mantra of 'roti, kapda aur makaan' will extend to 'roti, kapda, makaan, mobile aur PC'. This is likely to generate an unprecedented demand for personal computers, IT peripherals and



accessories. The importance of the fact that the country enjoys extensive headroom for growth cannot be overemphasised. Case in point: PC penetration in India stands at 9% compared to 50% in China and 60% in the US, indicating a sustainable growth opportunity. In such a backdrop, India represents one of the most attractive IT hardware opportunities in the world. We believe that MNC brands will find India an ideal destination when it comes to introducing newer products. Consequently, they will need to engage with specialised and dependable distribution intermediaries like Compuage. The result: we will be able to carve out a larger share of the market faster.

### Passion and preparedness

At Compuage, we possess two of the most decisive credentials that are necessary to capitalise on this unprecedented opportunity. One, we possess the passion that has allowed us to outperform the sector, time and again. Two, we have proactively invested in our people, processes, products and partnerships to enhance our sense of preparedness.

**AT COMPUAGE, WE DO NOT JUST CLAIM THAT WE ARE AMONG THE FIVE LARGEST IT PRODUCT DISTRIBUTION COMPANIES IN INDIA; WE ARE AMONG THE MOST PASSIONATE AS WELL.**

## **THIS PASSION WAS FAITHFULLY REFLECTED IN OUR FY2015-16 PERFORMANCE:**

**DURING A YEAR WHEN THE BROAD IT HARDWARE SECTOR GREW BY 7%, WE GREW OUR REVENUES BY 30.48%**

At Compuage, we do not just claim that we are among the five largest IT product distribution companies in India; we are among the most passionate as well.

Why do we say that? Because, we stretch ourselves continually; because we run our Company virtually like a bank; because we come up with pioneering practices that become sectoral benchmarks; because we ensure that our people productivity remains among the highest in the industry.

This passion was faithfully reflected in our FY2015-16 performance. During the year, when the broad IT hardware sector grew by 7%, we grew our revenues by 30.48%. In a sluggish economy, Compuage's

profitable growth was reflected in a 23.16% growth in PAT. We turned our inventory around faster, we recovered outstanding debts promptly, we lessened bad debts on our books and we reported Rs.

9,493 lac worth of cash on our books.

At Compuage, we have invested proactively in our business so that when the sectoral surge transpires we will be at the right place, at the

right time armed with the right products.

As a means to this end, we have laid out plans to grow our presence from 450 cities to 700 in 2016-17; increase the proportion of our resellers in India's Tier-II, III and IV cities from 55% to 75%; make our presence felt in every Indian town with a population of at least 200,000.

Over the last couple of years, we have plugged gaps in our operating model and intend to continue doing so with the objective to cement out reputation as a one-stop shop. We recruited more professionals (accountants, sales and service teams) to address our growing number of clients. We garnered superior margins by moderating our working capital usage and interest outflow. We invested in top-of-the-line automation to double our scale without incurring any additional investments. We segregated product delivery and reseller engagement touch points to strengthen our understanding of ground realities.

### Conclusion

It is this combination of passion and preparedness that provides us with the confidence that we will be able to replicate the growth that we reported in the 27 years of our existence in only three years. We believe that this will reinforce our position as one of the fastest-growing and one of the most exciting IT product intermediaries in India.

With warm regards,

**Atul Mehta**

*Chairman & Managing Director*

# WHY COMPUAGE IS OPTIMISTIC OF ITS LONG-TERM PROSPECTS

## CURRENT

**1**

Number of Indian broadband subscribers for every 100 people (30.5 in the UK)

**19**

India's percentage internet penetration (46% in China, 86.8% in the US and 89.6% in Australia)

**300**

Internet users in India (in million); more than 50% of which are mobile-only users

**3.2**

Percentage contribution of the internet to India's GDP (10.1% and 5.6% in the UK and South Korea, respectively)

**2.8**

Average bandwidth connection speed in India (megabytes per second), the lowest in the Asia-Pacific (26.7 megabytes per second in South Korea)

**13.9**

India's peak download speed (megabytes per second) (84.6 megabytes per second in Hong Kong)

**16.8**

Smartphone percentage penetration in India (46.9% in China, 56.5% in the US)

**115**

India's global position in terms of average connection speed

**125**

India's global ranking in terms of fixed broadband penetration (Bhutan and Sri Lanka are ranked higher)

**3**

India's rank in the global smartphone market

**220**

Smartphone users in India (million)

## PROJECTED

**4.6**

Internet's percentage contribution to India's GDP by 2018

**503**

Estimated internet users (million) in India, 2017

**314**

Estimated mobile internet users (million) in India, 2017

**369**

Estimated smartphone users in India (million), 2018

**175**

Estimated broadband connections (million) by 2017

## COO'S PERSPECTIVE

“OUR BIGGEST ACHIEVEMENT:  
**WE OUTPERFORMED  
SECTORAL GROWTH BY  
THREE TIMES IN WHAT  
WAS ONE OF THE MOST  
CHALLENGING YEARS IN  
RECENT MEMORY.”**

**BHAVESH MEHTA, WHOLE-TIME DIRECTOR & COO**

### Overview

Doubtlessly, one was pleased with the Company's FY2015-16 performance for a number of pertinent reasons. We reported attractive growth for the year 2015-16 – a 30.48% increase in revenues complemented by a 23.16% growth in PAT. In so doing, we outperformed sectoral growth by three times in what was one of the most challenging years for our sector in recent memory.

### Challenges

Looking at our numbers, one would be inclined to assume that the Company's performance was achieved in a bullish environment. However, that would be far from the truth. The country's economic growth continued to remain sluggish with corporate and individual consumers staggering their IT investments. The country's IT segment actually contracted. This came as a big surprise to all of us who were banking on the country's extensive IT under-consumption. The money market remained tight as a result of which receivables management proved to be challenging. Finally, our mobility business failed to meet our expectations. And yet, despite all these macroeconomic challenges, we put up a stellar show.

### Counter-responses

Compuage increased the number of resellers across a large geographic footprint, joined hands with more clients and substantially increased our CISCO throughput. This strengthened our enterprise and mobility segments, protected our receivables and enhanced our financial integrity. The bedrock of our contrarian approach was that we did not compromise our financial integrity in a bid to catalyse growth. Hence, our financial numbers were as much about quality as they were about quantity. Our Balance Sheet retained its vigour the insipid industry environment notwithstanding. This was our



## IN CONVERSATION WITH **BHAVESH MEHTA, WHOLE-TIME DIRECTOR & COO**

principal achievement during the year in review.

### **Optimism**

If the fiscal gone by is any indication then it is evident that we are capable of growing even in the most challenging years. It goes without saying that we expect to do even better when the economy revives. We are plugging our product gaps, which should translate into enhanced offtake. We expect that an increase in disposable incomes will correct the country's extensive IT product under-penetration. India's youthfulness will translate into a robust consumption appetite. We possess pan-Indian infrastructure (except in North Eastern India). The impending IT broadband boom also promises to be a national game-changer.

One of our first priorities is to widen and deepen our presence across the country.

Presently, we are in 485 cities and towns; we intend to take this up to 750 by end-2016-17. We have 9,000 channel partners and we intend to take this up to 11,000 by end-2016-17. We also expect to bolster our product portfolio (the full impact of which will be reflected by end-2016-17) and continue enforcing the financial discipline that we have demonstrated in the past. We expect that these initiatives will grow our revenues by 40% during FY2016-17.

### **Outlook**

We expect to grow our revenues at a three-year CAGR of 30%. This should translate into aggregate revenues amounting to a billion dollars by FY2018-19. This means that what we took 27 years to achieve will be matched by us over the next three years. This will allow us to carve a niche for ourselves as one of the most exciting IT products distribution companies in India.

### **Rerouting imports, saving money**

The Company shifted its inward shipments depot from Nhava Sheva to Chennai. The result: stamp duty costs declined; labour costs dropped; warehouse rentals lowered. Bottomline: substantial savings for the Company.

## HOW WE OUTPERFORMED THE INDUSTRY DURING A DIFFICULT FY2015-16

1

**Challenge:** Compuage's mobility segment faced headwinds by virtue of being in a competitive environment.

**Response:** Compuage focused on growing its presence in this space, attracted by a well-poised telecom market.

**Result:** The Company's mobility segment's revenue contribution stood steady at 14% in FY2015-16.

2

**Challenge:** A decelerated Indian economy lengthened the receivables cycle for the enterprise business.

**Response:** Compuage strengthened its process discipline; stringently analysed debtor profiles; implemented best-in-class processes for credit appraisal and monitored its financial health on a real-time basis.

**Result:** Minimised receivables cycles to 30 days of turnover equivalent while growing its turnover by 30%.

3

**Challenge:** India's IT sector contracted by 8.9% during FY2015-16.

**Response:** Compuage forayed into newer geographies; reinforced its reseller base; widened its domestic footprint; signed three new clients; trebled sales of CISCO products in India and SAARC countries (via Singapore).

**Result:** Compuage outperformed sectoral growth by 3x.

4

**Challenge:** Working with 9,000 resellers increased the odds of payment defaults.

**Response:** Compuage leveraged three decades of sectoral knowhow to address reseller solvency issues; undertook decisive initiatives to balance credit deployment and product sales.

**Result:** Compuage's bad debts accounted for a meagre 0.025% of overall revenues

### OUR PERFORMANCE AMBITION

• **Status ambition:** Establish our position among the top five companies in India's IT product distribution industry.

• **Growth ambition:** Generate a 30 per cent growth in revenues compounded each year for the next three years.

• **Fiscal ambition:** Scale the business to \$ 1 bn revenues (2018-19) with a decline in the working capital outlay by 40% driven by a shorter receivables cycle, lower inventory and improved product mix (higher proportion of mobility business, marked by stronger cash flows); leverage progressively

stronger credit ratings for lower debt costs.

• **Margins ambition:** Enhance EBITDA margins by 100 bps through a stronger product mix, wider and deeper market coverage, stronger partner selection (negligible bad debts), quicker inventory turns and tighter receivables controls.

• **Portfolio ambition:** A one-stop intermediation agency for all relevant, popular and fast-moving IT products; growth of existing products and plugging product gaps (PCs, servers, storage devices, mobility business, increased software and Cloud

products, increase security); increase Mobility revenues from 14% of revenues (2015-16) to 40% in 2017-18.

• **Automation ambition:** To graduate the company to real-time across-the-board information availability; move towards paperlessness in 2016-17; increase proportion of system-driven activities; create a foundation for scalable growth with inversely disproportionate people accretion.

• **Fiscal efficiency ambition:** Moderate the quantum of working capital outlay by 40 per cent even as the company grows revenues across five years.

PASSION AND PREPAREDNESS

# STRENGTHENING THE BALANCE SHEET

THE BUSINESS OF I.T. PRODUCTS DISTRIBUTION HAS OFTEN BEEN COMPARED WITH THAT OF A BANK.

A distribution company needs to sell products to thousands of primary customers (resellers), tactically extend credit limits and promptly recover pending sums.

Compuage ticked all the boxes by adopting a rigorous bank-like approach.

We engaged in the appraisal of reseller credibility and also embraced routine credit checks. We raised IT-driven systemic alerts in case of any discrepancy.

The result: bad debts virtually disappeared; interest outflow declined; working capital outlays did not extend beyond

specified limits; cost of funds plummeted; credit ratings upgraded.

And all this transpired during a year widely acknowledged as one of the most challenging for India's IT products distribution segment.

*Passion and preparedness can move mountains.*

PASSION AND PREPAREDNESS

# THE SAP IMPLEMENTATION

WHEN WE BEGAN TO IMPLEMENT A TOP-NOTCH SAP PLATFORM IN 2013, THE STORY THAT WENT AROUND WAS THAT IT WOULD TAKE US 24 MONTHS TO GO 'LIVE'.

**T**wenty four months is how long it took most companies to implement SAP.

However, we brought a wholly different driver to the table.

*Resolve.*

We worked during the day on routine responsibilities. We worked at night on

SAP implementation.

Despite the wave of pessimism, we did something unbelievable. We went 'live' with our SAP platform in just eight months.

The result: manual dependence waned; report preparation tenures dropped from eight hours

to the click of a button; SKU-wise inventory tracking became standardised; informed decision-making hastened; our HO headcount fell by 33% while revenues climbed.

*Passion and preparedness can create benchmarks.*

# COMPUAGE'S BUSINESS MODEL

## Playing the volume game, differently

Compuage addressed the high volume-low margin space by scaling volumes on one hand and controlling working capital efficiency on the other. The result of its ROCE focus was that volumes, margins and profits increased substantially during FY2015-16.

## Enhancing reseller profitably, attractively

Compuage focuses on enhancing reseller profitability by regularly widening its product basket, offering timely advice, channelising trader-friendly credit and frequently replenishing inventory.

## Striking a delicate balance, judiciously

Compuage's workforce is a concoction of experience and youthfulness. 85% of the Company was less than 35 as on 31st March 2016. The result is that per person productivity (measured by revenue per person and per person partner billing) increased steadily over the years.

## Mitigating portfolio risks, astutely

No Compuage product line accounts for more than 27% of its revenues and no reseller accounts for more than 3% of its sales.

## Responding to sectoral changes, dynamically

Compuage is more than an IT products distributor; it is a reliable consultant, advising principals on how they can maximise market shares.

## Focusing on accountability, sustainably

Compuage assessed the effectiveness of its managers by calculating revenues booked per person, operating cost per person and keeping a tab on related receivables.





### **Tweaking the product mix, proactively**

Compuage leveraged its rich experience to proactively evolve its product mix and extend to the fast-growing mobility segment. Besides, its intensive product mix is gradually becoming extensive. The Company has also exited product segments that have turned unremunerative. The Company maintained an even inventory turnover of 9x across the years, its rapid growth notwithstanding.

### **Making its presence felt, unconventionally**

Compuage enjoys a significant presence in the underserved Tier-II and Tier-III markets. Compuage derived 70% of its revenues from its top-200 partners. This should moderate once Tier-II, III and IV cities start growing faster and enterprise revenues flatten.

### **Creating sales channels, prudently**

The Company has established separate sales channels for different product segments, ensuring dedicated focus and improving service quality.

### **Selecting new terrains, intelligently**

The Company has selected to work in all Indian regions except the North East (barring Assam). The Company usually selects to start with travelling sales personnel and graduating to sales + warehouse + after-sales service, following the accretion of ample revenues.

### **Strengthening fiscal efficiency, sustainably**

Compuage did not push sales at the cost of its Balance Sheet. It chose to guarantee that receivables were received as per schedule, inventories remained lean and working capital productivity rose unimpeded.

### **Forging mutually beneficial relationships, strategically**

Compuage selected to distribute products on behalf of prominent and credible principals. A large number of the Company's principals has been working with it since association.



## DIRECTORS' REPORT

To,  
**The Members,**  
**COMPUAGE INFOCOM LIMITED**

Your Directors have pleasure in presenting the Seventeenth Annual Report on business and operations along with the Audited Financial Statements for the year ended March 31, 2016.

### FINANCIAL HIGHLIGHTS:

The highlights of the Financial Results are:

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenue from Operation & Other Income	269001.08	213887.37	311700.23	238888.96
Less: Expenses	262998.44	208414.49	305593.46	233363.61
Profit before Interest, Taxation & Depreciation	6002.64	5472.88	6106.77	5525.35
Less: Finance Costs	3425.91	3253.37	3428.87	3260.18
Less: Depreciation	449.09	471.32	450.23	473.60
<b>Profit Before Tax</b>	2127.64	1748.19	2227.67	1791.57
Less: Provision for taxation	725.56	579.62	737.10	581.35
Profit After Tax Provision	1402.08	1168.57	1490.57	1210.22
Balance brought forward	5837.43	4828.57	5845.33	4794.82
<b>Amount available for Appropriation:</b>	7239.51	5997.14	7335.90	6005.04
<b>Less: Bonus Shares issued</b>	399.30	-	399.30	-
<b>Less: Dividend</b>				
Dividend for Financial year 2014-2015	101.86	-	101.86	-
Dividend Tax for Financial year 2014-2015	21.24	-	21.24	-
Interim Dividend	-	-	-	-
Proposed Dividend	234.96	133.10	234.96	133.10
Dividend Distribution Tax	47.83	26.61	47.83	26.61
Less: Unrealised Profit	-	-	-	-
Less: Foreign Currency Translation Reserve	-	-	-	-
Less: Minority Interest	-	-	-	-
Balance Carried to Balance Sheet	6434.32	5837.43	6530.71	5845.33
EPS (Basic)	11.93	17.56	12.69	18.20
EPS (Diluted)	11.93	17.56	12.69	18.20

**BUSINESS PERFORMANCE:****Standalone:**

The year gone by has been good. The Company's revenue increased to Rs.269001.08 Lakh as compared to Rs.213887.37 Lakh in the previous year marking an increase by Rs.55113.71 Lakh. The Company's Net Profit After Tax stood at Rs.1402.08 Lakh as compared to Rs.1168.57 Lakh in the previous year registering an increase of 19.98%.

**Consolidated:**

Our consolidated revenue has grown to Rs.311700.23 Lakh as compared to Rs.238888.96 Lakh in the previous year. The Company's Net Profit After Tax stood at Rs.1490.57 Lakh as compared to Rs.1210.22 Lakh in the previous year and thus Net Profit recorded a growth rate of 23.16%.

**DIVIDEND:**

The Board at its meeting held on May 2, 2016, recommended a dividend of Rs.2/- per share on face value of Rs.10/- per share, amounting to Rs.282.79 Lakh (inclusive of dividend tax) for the year ended March 31, 2016. This comes to 20% on face value of Rs.10/- per share.

The dividend on Equity Shares is subject to the approval of the shareholders at the Annual General Meeting (AGM). The total dividend pay-out including dividend tax works out to 20% of the net profit for the standalone results.

**TRANSFER TO RESERVES:**

The whole profit after tax has been transferred to Surplus in the Statement of Profit & Loss.

**WHERE WE ARE AND WHERE WE WILL:**

Information Technology lies at the core of your Company's business. The sector has stayed indomitable over the last twenty-five years since it emerged in 1990 after the Government liberalized the Indian economy. It prompted and shaped industrial growth and transformed the lifestyle of the average Indian by successfully changing his notion of a luxury item to one of necessity.

The objective of your Company is to have a sustainable development by staying connected to its roots. Currently, the Company is operating nationwide through its branches, warehouses and service centers. Our strategy is to optimize our core technology solutions business while expanding and investing in higher margin advanced and specialty solutions and high value services.

Your Company is entering into tie-ups and partnership with all major brands in the enterprise and retail verticals even those with an existing presence in the country, are keenly looking at ways to

increase partnership modes for distribution of their products.

Our vision is to become world class distributor and the Board is of firm belief that our value added approach with vendors, resellers and industry at large shall enable your Company to meet its goal.

**SUBSIDIARY COMPANY:****Compuage Infocom (S) Pte. Ltd.:**

Your Company continued to hold its holding in Compuage Infocom (S) Pte. Ltd., a wholly owned subsidiary of the Company which was formed to expand the Company's business operation.

During the year under review, the Board of Directors reviewed the accounts of the subsidiary. In accordance with the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format AOC-1 is appended as Annexure A to the Board's Report.

Further, there were no new subsidiaries included or ceased their status as the subsidiary of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS:**

As stipulated by Regulation 33 of the Listing Regulations, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiary is kept for inspection of the shareholders at the Registered Office of the Company.

**SHARE CAPITAL (BONUS AND PREFERENTIAL ISSUE):**

At the beginning of the year, the paid up Share Capital of the Company was Rs.665.50 Lakh divided into 66,55,000 Equity Shares of Rs.10/- each.

During the year, Postal Ballot was conducted and Members approval was obtained on May 19, 2015 for issue of Bonus Shares in the ratio of 3:5. Under the scheme, 39,92,999 were allotted under bonus issue.

Further, 1100000 Equity Shares were allotted on June 30, 2015 to shareholder, Kitara India Micro Cap Growth Fund on Preferential Basis.

Thus, during the year, 50,92,999 Equity Shares were allotted and the paid up capital of the Company on March 31, 2016 stands at Rs.11,74,79,990/- divided in to 1,17,47,999 Equity Shares of Rs.10/- each.



## LISTING OF SECURITIES:

The Equity Shares of the Company are listed at BSE Limited (BSE) and applicable listing fees for the year 2016-2017 have been paid. The Securities and Exchange Board of India (SEBI) vide its Exit order no. WTM/RKA /MRD/47/2015 dated May 14, 2015 had granted exit to Madras Stock Exchange ("MSE"). Subsequently, the securities of Company are no longer listed on MSE. Thereafter, the Company has made an application to list its securities on National Stock Exchange of India Limited.

The National Stock Exchange of India Limited vide its Circular Download Ref no. NSE/CML/32725 and Ref. No: NSE/LIST/C/2016/0515 dated July 4, 2016 admitted listing and dealing in Equity Shares of the Company on National Stock Exchange of India Limited with effect from July 07, 2016.

## 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.

NSDL and CDSL have allotted ISIN No. INE070C01029 for compulsory dematerialization of shares.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### Directors:

The Board consists of Executive and Non-executive Directors including Independent Directors who have vast experience in the core business activity of the Company. The composition of the Board is in consonance with Corporate Governance norm specified in the SEBI Regulations with the Stock Exchange.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Bhavesh Mehta, retires by rotation and being eligible offers his candidature for re-appointment as a Director.

During the year, there was no change in the composition of the Board.

### Key Managerial Personnel:

During the year under review, there was change in Key Managerial Personnel (KMP) which is tabulated as under:

Sr. No.	Name of KMP	Designation	Appointment / Cessation / No Change during the year	Date of Appointment	Date of Cessation
1.	Mr. Sunil Mehta	CFO	No Change	-	-
2.	Ms. Dolly Mehta	CS	Cessation	January 1, 2015	May 30, 2015
3.	Ms. Shruti Desai	CS	Appointment & Cessation	August 14, 2015	October 8, 2015
4.	Ms. Disha Shah	CS	Appointment	December 1, 2015	-

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The same is found to be satisfactory.

At a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Directors. The same was discussed at the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed.

## BOARD MEETINGS:

During the year, twelve Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors hold office for a period of 5 years and are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI Regulations.

**CORPORATE SOCIAL RESPONSIBILITY:**

As a responsible corporate citizen, the Company has been implementing societal activities which promote education, livelihood and health of the underprivileged in lines with the Corporate Social Responsibility policy framed by the Company. Detailed layout of activities undertaken during the year is covered under Annexure - B

**ABSTRACT OF THE ANNUAL RETURN:**

In accordance with Section 134 (3) (a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the Annual Return in prescribed form MGT – 9 is appended as Annexure C to the Board's Report.

**CORPORATE GOVERNANCE:**

The Company has complied with the corporate governance requirements as stipulated under the Listing Regulations. A separate section on corporate governance along with a certificate from the auditors confirming the compliance is annexed as Annexure - D and forms part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

A Management Discussion and Analysis as required under the

Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulation is annexed herewith as Annexure E and forms part of the Boards' Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is given hereunder:

**A. Conservation of energy:**

Your Company is primarily engaged in Marketing and Trading activities and has not consumed energy of any significant level and hence no additional investment is required to be made for reduction of energy consumption. However, the Company will continue with its efforts to conserve the energy.

**B. Technology absorption**

The Company's operations do not require significant absorption of technology.

**C. Earnings And Outgo in Foreign Exchange:**

(Rs. In Lakh)

Particulars	Standalone		Consolidated	
	Current Year (in Rs.)	Previous Year (in Rs.)	Current Year (in Rs.)	Previous Year (in Rs.)
Foreign Exchange Earnings	9521.26	12747.01	9521.26	12747.01
Foreign Exchange Outgo	9449.62	12640.35	9449.62	12640.35

**PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:**

The Company has a Policy on "Prevention of Sexual Harassment of Women at Work Place" and matters connected therewith or incidental thereto covering all the aspects as contained under the 'The Sexual Harassment of Women at Work Place (Prohibition, Prevention and Redressal) Act, 2013'. Your Directors state that during the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

**HUMAN RESOURCES:****Employee Relations**

We believe that success of Company depends on the talent and dedication of our employees and we strive to attract, hire, develop and retain outstanding employees. In view of this, we have laid down a comprehensive set of policies aiming at attracting, retaining and motivating employees. We believe significant benefits are realized from having a strong and seasoned management team with many years of experience in technology distribution and related industries. We consider relations with our employees to be good.

**Trade Relations**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry.

This accord incorporates novel elements such as introducing wide range of products, nurturing healthy competition, giving pocket friendly credit cycles, timely clearance of dues, easy accessibility to product heads, etc. Your Company will continue in its endeavour to build and nurture strong links with trade allies, based on mutuality, respect and co-operation with each other and with consistent consumer interest.

**PERFORMANCE OF EMPLOYEES:**

**A. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

- i) Details of the ratio of the remuneration of each director to the median remuneration of the employees for the financial year:

Sr. No.	Name of the Directors	Designation	Ratio to median remuneration of the employees
1.	Mr. Atul H. Mehta	Chairman and Managing Director	44.69:1
2.	Mr. Bhavesh H. Mehta	Whole-time Director	44.69:1
3.	Mr. Ganesh Shiva Ganesh	Non-Executive & Independent Director	NA
4.	Mrs. Preeti Trivedi	Non-Executive & Independent Director	1.27:1
5.	Mr. Vijay Agarwal	Non-Executive & Independent Director	1.21:1

ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Sr. No.	Name of the Directors	Designation	% increase in remuneration
1.	Mr. Atul H. Mehta	Chairman and Managing Director	Nil
2.	Mr. Bhavesh H. Mehta	Whole-time Director	Nil
3.	Mr. Ganesh Shiva Ganesh	Non-Executive & Independent Director	Nil
4.	Mrs. Preeti Trivedi	Non-Executive & Independent Director	327.5%
5.	Mr. Vijay Agarwal	Non-Executive & Independent Director	305%
6.	Mr. Sunil Mehta	Chief Finance Officer	34.21%
7.	Ms. Disha Shah*	Company Secretary	Not Applicable

\* Appointed w.e.f. December 1, 2015

iii) The percentage increase in the median remuneration of employees in the financial year: 11.96%

iv) The number of permanent employees on the rolls of Company: 642

v) The explanation on the relationship between average increase in remuneration and Company performance:

The increase in remuneration is based on the policy of the Company and various factors such as individual performance, competitive market practices, cost considerations, business results achieved during the year. The Company prefers increase as per industry standards after undertaking detailed surveys for same profile. The salary increases that were made during the year were in line with both the Company's performance as well as the Company's market competitiveness.

vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

(Rs. In Lakh)

Total Remuneration to Key Managerial Personnel (KMP)	297.54
Income from operations	267872.85
Total Remuneration of KMP as % to Revenue	0.11
Profit before Tax (PBT)	2127.64
Total Remuneration of KMP as % of PBT	13.98

vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation	Rs.1264672092.35	Rs.994257000.00	27.20%
Price Earnings Ratio	6.13	8.56	-28.38%

viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The closing share price of the Company at BSE Limited on March 31, 2016 being Rs.107.65 per equity share of face value of Rs.10/- each has grown 10 times since the last public offer by the Company.

ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The median percentage increase made in the salaries of employees other than the managerial personnel was 11.15%.

These increases are a function of the Company's market competitiveness based on the salary benchmarked survey, the Company undertakes annually.

During the year under review, there has been no change in the remuneration of managerial personnel except that of Chief Finance Officer which is 34.21%. This increase is on account of business performance.

x) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Amount (Rs. in Lakh)
Revenue from operations	267872.85
Profit before Tax (PBT)	2127.64

Particulars	Mr. Atul H. Mehta (Chairman & Managing Director)	Mr. Bhavesh H. Mehta (Whole time Director)	Mr. Sunil Mehta (CFO)	Ms. Disha Shah (CS)*
Remuneration of KMP (Rs. in Lakh)	120.00	120.00	52.34	5.20
Remuneration of KMP as % to Revenue	0.04	0.04	0.02	0.00
Remuneration of KMP as % of PBT	5.64	5.64	2.46	0.24

\*Appointed w.e.f. December 1, 2015

xi) The key parameters for any variable component of remuneration availed by the Directors: It is based on targets achieved.

xii) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Directors during

the year: Not applicable

xiii) It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

**B. Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name (Age)	Designation, Nature of duties & Date of commencement of Employment	Qualification / Experience	Gross Remuneration Rs.	Nature of employment	Relationship
*Atul H. Mehta (56)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA – U.S.A (26)	1,20,00,000/- (w.e.f. 08.09.2014)	Contractual	Brother of Mr. Bhavesh Mehta, Whole-time Director
*Bhavesh H. Mehta (43)	Whole-time Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (19)	1,20,00,000/- (w.e.f. 18.10.2014)	Contractual	Brother of Mr. Atul Mehta, Managing Director

**Note:**

1. Nature of employment is contractual.

2. The above amount does not include provision of gratuity and leave encashment.

\*3. As the service contract had expired during the year 2014, Company sought Members approval for reappointment and increase in remuneration to Rs.1,80,00,000/- p.a. each to Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta. On receipt of Members approval an application, pursuant to Section 197 of the Companies Act, 2013, read with Schedule V of the Act, was filed with Central Government seeking their approval. However, the Central Government has closed the file on technical grounds for which the Company has made an application after complying with necessary corrections and requested to reopen the same. Confirmation for the same is awaited till then the excess remuneration will be held in trust by the Directors.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS:

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year.

The Company has an in-house Internal Audit (IA) function. To maintain its objectivity and independence, the IA function reports to the Chairman of the Audit Committee of the Board. The IA department evaluated the efficacy and adequacy of the internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Apart from in-house Internal Audit function, to strengthen and maintain transparency, the Company has also appointed M/s. Verma Mehta & Associates (Firm Reg. No. 112118W) as Internal Auditors of the Company in accordance with Section 138 of the Companies Act, 2013 to examine the effectiveness of internal control system.

### AUDITORS:

M/s. B.V. Dalal & Co., Chartered Accountants, Mumbai, having ICAI Firm Registration No.114214W, being eligible offer themselves for re-appointment. If re-appointed, it will be within the purview of Sections 139 and 142 of the Companies Act, 2013. Members are requested to appoint the auditors and to fix their remuneration.

## AUDITORS' REPORT, DISCLAIMER AND MANAGEMENT'S REPLY:

Disclaimer:	Management's reply:
The Auditors in their report have provided a disclaimer that the Company has made an application to Central Government for remuneration pursuant to Section 197 of the Companies Act, 2013, read with Schedule V of the Act, for Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta appointed as Managing Director and Whole-time Director respectively. Central Government has closed the file on technical grounds for which the Company has made an application after complying with necessary corrections and requested to reopen the same. Confirmation for the same is awaited.	The Board is trying to re-open the application and avail a favourable result.  Apart from this, the Audit report and notes being self-explanatory, needs no comments.

## SECRETARIAL AUDIT, REPORT AND OBSERVATION

The Board of Directors have appointed Mr. Virendra G. Bhatt, Practising Company Secretary, Mumbai, to conduct Secretarial Audit for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report in form MR-3, for the financial year 2015-16, forms part of the Directors' Report as Annexure F.

## SECRETARIAL AUDITOR'S OBSERVATION AND MANAGEMENT'S REPLY:

Observation	Reply
I further report that during the year, Company had made an application to Central Government for remuneration pursuant to Section 196 of the Companies Act, 2013 read with Schedule V for Mr. Atul Mehta and Mr. Bhavesh Mehta appointed as Managing Director and Whole Time Director respectively. Central Government has closed the file on technical grounds for which the Company has made an application after complying with necessary corrections and requested to reopen the same. Confirmation for the same is awaited till then the excess payment given to Directors will be held in trust.	The Board is trying to re-open the application and avail a favourable result.
Form 51NV for Statement of Unpaid/ Unclaimed dividend for the previous years is pending to be filed with ROC	Form 51NV was withdrawn by MCA Portal. New form in this connection has not been notified till the date of this signing of this report.

## RELATED PARTY:

Your Company has formulated a policy on related party transactions which is also available on Company's website at [www.compuageindia.com](http://www.compuageindia.com). This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are Placed before the Audit Committee for review and approval.

The particulars of contracts or arrangements entered into by the Company with related parties as referred in sub-section (1) of section 188 of the Companies Act, 2013, in prescribed Form No. AOC-2, is appended as Annexure G to the Board's Report.

#### **LOANS, GUARANTEES & INVESTMENTS:**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### **AUDIT COMMITTEE:**

The Audit Committee meets regularly to review reports, including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures.

The details pertaining to Audit Committee and its composition are included in the Corporate Governance Report which forms part of this report.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Company follows a Policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior Management employees. The Remuneration Policy for the Directors and Senior Management employees is given in the Corporate Governance Report.

#### **STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

The details pertaining to composition of the Committee is included in the Corporate Governance Report, which forms part of this report. The role of the Committee is explained in detail in the Corporate Governance Report enclosed herewith.

#### **FAMILIARIZATION PROGRAMME:**

The familiarization programme aims to provide Independent Directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. This programme also seeks to update the Directors on the roles, responsibilities, rights and duties under various Acts and other statutes.

The policy on Company's familiarization programme for Independent Directors is posted on the Company's website at: [www.compaugeindia.com](http://www.compaugeindia.com)

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in accordance with the provisions of Section 134 (3) (c) and 134(5) of the Companies Act, 2013:

- i. That in preparation of the Annual Accounts for the year ended March 31, 2016, 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 March 31, 2016 and the profits of the Company for the year under review;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records 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 March 31, 2016 have been prepared on a 'going concern basis'.
- v. That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.
- vi. That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **INSURANCE & RISK MANAGEMENT:**

The assets of the Company are adequately insured against the loss due to fire, theft, riot, earthquake, terrorism, in transit, etc. and such other risks which are considered necessary by the management. Further, the Company identifies and assess key risks and formulate strategies for mitigation of such risks that are identified by the Company.

#### **FIXED DEPOSIT:**

The Company has not accepted the Fixed Deposits and therefore the compliance of the same as per the provisions of the Companies Act, 2013 and rules thereon is not required.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or other policies. The policy provides for adequate safeguards against victimization of employees who avail of the



mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY:**

No material changes have taken place affecting the financial position of the Company from the date of closure of financial year till the date of signing of this report.

#### **APPRECIATION:**

Your Directors are thankful to the Vendors, Customers, Bankers, Central and State governments together with their departments and the local authorities for their continued guidance, support and co-operation.

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth. To them goes the credit for all of the Company's

achievements.

And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board of Directors

**Compuage Infocom Limited**

Sd/-

**Atul H. Mehta**

*Chairman and Managing Director*

Place: Mumbai

Date: August 5, 2016

#### **Registered Office:**

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

## Annexure A

**FORM AOC-I****STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY**

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**The financial performance of the Subsidiary Company included in the consolidated financial statements is detailed below:**

1	Name of the Subsidiary	:	Compuage Infocom (S) Pte. Ltd.
2.	Turnover :		
	Current Period	:	Rs.43,787.03 Lakh
	Previous Period	:	Rs.28,660.48 Lakh
	Growth (%)	:	52.78%
3.	Profit/(Loss) Before Tax :		
	Current Period	:	Rs.263.99 Lakh
	Previous Period	:	Rs.43.38 Lakh
	Growth (%)	:	508.55%
4.	Profit/(Loss) After Tax		
	Current Period	:	Rs.252.46 Lakh
	Previous Period	:	Rs.41.65 Lakh
	Growth (%)	:	506.15%

**PART "A": SUBSIDIARY**

1	Name of the subsidiary	Compuage Infocom (S) Pte. Ltd.
2	The date since when subsidiary was acquired	July 23, 2008
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same as Parent Co.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD 1USD = 66.37 INR
5	Share Capital	Rs.66.37 Lakh
6	Reserves and Surplus	Rs.67.17 Lakh
7	Total Assets	Rs.1689.64
8	Total Liabilities	Rs.1622.48
9	Investments	Nil
10	Turnover	Rs.43,787.03 Lakh
11	Profit before taxation	Rs.263.99 Lakh
12	Provision for taxation	Rs.14.00 Lakh
13	Profit after taxation	Rs.252.46 Lakh
14	Proposed Dividend	Nil
15	Extent of shareholding (in percentage)	100%

**Notes:**

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year -NIL





## PART "B" : ASSOCIATES AND JOINT VENTURES

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Since the Company does not have any Associate Company or any Joint Venture, the said para is not applicable.

FOR **COMPUGATE INFOCOM LIMITED**

Sd/-

**Atul H. Mehta**

*Chairman & Managing Director*

Place: Mumbai

Date: August 5, 2016

Annexure B

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company has its branches spread throughout nation and the CSR Committee is of the view that upliftment of the society is possible only if served the basic necessities of needy. With this strong notion, the Company carried out CSR activity throughout the country in its best possible capacity.

CSR Policy of the Company is available on website of the Company at [www.compUAGEindia.com](http://www.compUAGEindia.com)

### Composition of the CSR Committee:

Name of Director	Designation
Mr. G S. Ganesh (Independent Director)	Chairman
Mr. Vijay Agarwal (Independent Director)	Member
Mr. Bhavesh Mehta (Whole-Time Director)	Member

Average Net Profit of the company for last 3 financial year : Rs.1817.61 Lakh

Threshold Limit-(2% of this amount) : Rs.36.35 Lakh

### Details of CSR activities/projects undertaken during the year:

Particulars	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes Local area/ others	Amount outlay (budge) project/ program wise	Amount spent on the project/ Programme	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementation agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Health			• Provided medical assistance	44,673	44,673	44,673	Directly
Education			• Provided books to the students. • Provided sports items to schools and orphanages	824319	824319	868992	Directly
Social			• To provide food, blankets and other necessities.	2810311	2810311	3679303	Directly and through Lions Club of Juhu Service Fund

(a) Total amount to be spent for the year: Rs.36.35 Lakh

(b) Amount carried forward from earlier years: Nil

(c) Amount spent during the year: Rs.36.79 Lakh

(d) Amount carried forward for the year: Nil

\* Details of the implementing agencies: Lions Club of Juhu Service Fund

For CompUAGE Infocom Limited

Place: Mumbai  
Date: August 5, 2016

Sd/-  
**Atul Mehta**  
Managing Director

Sd/-  
**Ganesh S. Ganesh**  
Chairman- CSR Committee

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:-

Sr. No.	Particulars	Details
1.	CIN	L99999MH1999PLC135914
2.	Registration Date	27/07/1999
3.	Name of the Company	Compuage Infocom Limited
4.	Category / Sub-Category of the Company	Company Limited by Shares
5.	Address of the Registered Office of the Company	D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth Steel Compound, Western Express, Highway, Goregaon (E), Mumbai-400063.
6.	Contact details of the Company	Tel No. : 022-66114444, Fax: 022-66114445
7.	Whether Listed Company: (Yes / No)	Yes
8.	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W). Tel No.:022-25946970; Fax: 022-25946969

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Wholesale of computers, computer peripheral equipment and software	4651	54.90%
2.	Wholesale of electronic and telecommunications equipment and parts	4652	13.97%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Compuage Infocom (S) Pte. Ltd	Foreign Company	Subsidiary	100.00 %	2(87)

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity):-

**i) Category-wise Share Holding –**

Category of Shareholders	No. of Shares held at the beginning of the year-				No. of Shares held at the end of the year-				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4513953	0	4513953	67.83	7222324	0	7222324	61.48	-6.35
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>4513953</b>	<b>0</b>	<b>4513953</b>	<b>67.83</b>	<b>7222324</b>	<b>0</b>	<b>7222324</b>	<b>61.48</b>	<b>-6.35</b>
<b>(2) Foreign</b>									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4513953</b>	<b>0</b>	<b>4513953</b>	<b>67.83</b>	<b>7222324</b>	<b>0</b>	<b>7222324</b>	<b>61.48</b>	<b>-6.35</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	40	0	40	0	64	0	64	0	-0.00
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Foreign Portfolio Investor)	0	0	0	0	1100000	0	1100000	9.36	9.36
<b>Sub-total (B)(1):-</b>	<b>40</b>	<b>0</b>	<b>40</b>	<b>0.00</b>	<b>1100064</b>	<b>0</b>	<b>1100064</b>	<b>9.36</b>	<b>9.36</b>

Category of Shareholders	No. of Shares held at the beginning of the year-				No. of Shares held at the end of the year-				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>Bodies Corporate</b>									
i. Indian	505640	4012	509652	7.66	1005567	6417	1011984	8.61	0.96
ii. Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	362276	48631	410907	6.17	454266	65302	519568	4.42	-1.75
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	408458	0	408458	6.14	603308	10569	613877	5.23	-0.91
<b>c) Others (specify)</b>									
i. Clearing Member	57488	0	57488	0.86	30169	0	30169	0.26	-0.61
ii. Market Maker	240	0	240	0.00	64	0	64	0.00	-0.00
iii. Non Resident Indians (Repat)	664345	32193	696538	10.47	1062081	51502	1113583	9.48	-0.99
iv. Non Resident Indians (NonRepat)	26	40	66	0.00	1577	64	1641	0.01	0.01
v. Foreign Companies	0	54725	54725	0.82	0	87560	87560	0.75	-0.08
vi. HUF	2933	0	2933	0.04	45877	1288	47165	0.40	0.35
<b>Sub-total (B)(2):-</b>	<b>20001249</b>	<b>139601</b>	<b>2140850</b>	<b>32.17</b>	<b>3202909</b>	<b>222702</b>	<b>3425611</b>	<b>29.16</b>	<b>-3.01</b>
<b>Total Public Shareholding(B) = (B)(1)+(B)(2)</b>	<b>2001289</b>	<b>139601</b>	<b>2140890</b>	<b>32.17</b>	<b>4302973</b>	<b>222702</b>	<b>4525675</b>	<b>38.52</b>	<b>6.35</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>6515399</b>	<b>139601</b>	<b>6655000</b>	<b>100.00</b>	<b>11525297</b>	<b>222702</b>	<b>11747999</b>	<b>100.00</b>	<b>-12.7</b>

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Bhavesh Harkishandas Mehta	1780485	26.75 %	-	2848776	24.25 %	-	-2.5%

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
2.	Atul Harkishandas Mehta	1780484	26.75 %	-	2848774	24.25 %	-	-2.5%
3.	Ajay Harkishandas Mehta	452984	6.81 %	-	724774	6.16 %	-	-0.65%
4.	Ajay Harkishandas Mehta	500000	7.51 %	-	800000	6.81 %	-	-0.7%
	<b>Total</b>	<b>4513953</b>	<b>67.83 %</b>	<b>-</b>	<b>7222324</b>	<b>61.48 %</b>	<b>-</b>	<b>-6.35%</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Names of Promoter	Shareholding at the beginning of the year		Datewise Increase/ Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Bhavesh Harkishandas Mehta	1780485	26.75%	19.05.2015	1068291	Bonus Issue	2848776	24.25%
2.	Atul Harkishandas Mehta	1780484	26.75%	19.05.2015	1068290	Bonus Issue	2848774	24.25%
3.	Ajay Harkishandas Mehta	452984	6.81%	19.05.2015	271790	Bonus Issue	724774	6.16%
4.	Ajay Harkishandas Mehta	500000	7.51%	19.05.2015	300000	Bonus Issue	800000	6.81%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Kitara India Micro Cap Growth Fund	0	0.0000	1100000	9.3633
2.	Rashmi Bothra	224300	1.9093	358880	3.0548
3.	Dilip S Mehta	206000	1.7535	329600	2.8056
4.	Rajesh Bothra	203382	1.7312	325411	2.7699
5.	Ajcon Finance Limited	72875	0.6203	309720	2.6364
6.	Nirshilp Securities Pvt. Ltd.	172509	1.4684	276014	2.3495
7.	Subhash Saganlal Runwal	161145	1.3717	177937	1.5146
8.	Tisya Financial Services Private Limited	110750	0.9427	177200	1.5083
9.	Khadija Karim Jagmagia	58200	0.4954	93120	0.7926
10.	Sangita Suketu Sanghvi	0	0.0000	68500	0.5831

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Atul H. Mehta	1780484	26.75%	2848774	24.25%
2	Mr. Bhavesh H. Mehta	1780485	26.75%	2848776	24.25%
3	Mr. Ganesh S. Ganesh	157	0	251	0
4	Mr. Vijay Agarwal	0	0	0	0
5	Mrs. Preeti Trivedi	0	0	0	0
6	Mr. Sunil Mehta	100	0	160	0
7	Ms. Disha Shah	0	0	0	0

Change in Shareholding is due to allotment of Bonus Shares vide Members resolution passed on May 19, 2015.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits Total	Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15412.69	6388.04	0	21800.73
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>15412.69</b>	<b>6388.04</b>	<b>0</b>	<b>21800.73</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1393.62	4762.71	0	6156.33
• Reduction	97.46	0	0	97.46
<b>Net Change</b>	<b>1296.16</b>	<b>4762.71</b>	<b>0</b>	<b>6058.87</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	16708.85	11150.75	0	27859.60
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>16708.85</b>	<b>11150.75</b>	<b>0</b>	<b>27859.60</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Atul H. Mehta (Managing Director)	Bhavesh H. Mehta (Whole-Time Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,00,000	1,20,00,000	2,40,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Atul H. Mehta (Managing Director)	Bhavesh H. Mehta (Whole-Time Director)	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>2,40,00,000</b>

## B. Remuneration to other Directors:

Particulars of Remuneration	Names of Non-Executive Independent Directors			Total Amount
	Ganesh Shiva Ganesh	Vijay Agarwal	Preeti K Trivedi	
Fee for attending Board / Committee meetings	0	324000	342000	666000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total</b>	<b>0</b>	<b>324000</b>	<b>342000</b>	<b>666000</b>

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary*	CFO	Total
A.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,20,000	52,34,200	57,54,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
B.	Stock Option	-	-	-
C.	Sweat Equity	-	-	-
D.	Commission as % of profit others, specify...	-	-	-
E.	Others, please Specify	-	-	-
	<b>Total</b>	<b>5,20,000</b>	<b>52,34,200</b>	<b>57,54,200</b>

\*Appointed w.e.f. December 1, 2015



**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

FOR COMPUAGE INFOCOM LIMITED,

Sd/-  
**Atul H. Mehta**  
Chairman & Managing Director

Place: Mumbai

Date: August 5, 2016

## CORPORATE GOVERNANCE REPORT

The report on Corporate Governance is in compliance with Schedule V of Regulation 34 of SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015 is as follows:

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

Corporate Governance philosophy stems from the values of the Company i.e. Integrity, Commitment, Human Touch, Team work, Mutual respect, and Excellence to follow best business practices which automatically forms an integral element in improving efficiency and enhancing investor confidence.

- To strengthen its values, the Company has taken following steps:
- Adequate disclosure and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholders interest;
- Commitment to values and ethical conduct of business

Compuage Infocom Limited not only adheres to the prescribed corporate governance practices as per SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, 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 four Committees to discharge its responsibilities in an effective manner. CIL's Company Secretary acts as the Secretary to all the 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. BOARD OF DIRECTORS

The Company has a very balanced and diverse Board of Directors, consisting of 2 Executive Directors and 3 Non-Executive Independent Directors who primarily take care of the business needs and stakeholders' interest. The Chairman of the Board is an Executive Director & Promoter of the Company. The composition of the Board of the Company is in accordance with Regulation 17 of SEBI (LODR) Regulations, 2015.

The Directors on the Board are experienced, competent and highly renowned persons from the fields of manufacturing, finance & taxation, economics, law, governance, etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. Independent Directors are non-executive Directors as defined under Regulation 16 of SEBI (LODR) Regulations, 2015. The tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the prescribed criteria.

The Company through Familiarisation Programme familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company.

The Managing Director brief them on the operations of the Company, strategy, risks, new initiatives, etc. The details of the Familiarisation Programme of the Independent Directors with the Company in respect of their roles, responsibilities, rights and related matters is put up on the website of the Company ([www.compuageindia.com](http://www.compuageindia.com)). During the year, Familiarisation Programme was held and was attended by all the Independent Directors.

#### Membership, Attendance & Other Directorships:

The names and categories of the Directors on the Board, their attendance at board meetings held during the year and the number of Directorships and Committee chairmanships / memberships held by them in other Companies as on March 31, 2015 are given herein below:

Name of Director	Designation	No. of Directorship in other Public Ltd. Companies	Other Companies Committee's	
			Membership	Chairmanship
Mr. Atul Mehta (DIN: 00716869)	Promoter, Executive, Chairman & Managing Director	0	Nil	Nil
Mr. Bhavesh Mehta (DIN: 00740861)	Promoter, Executive and Whole-time Director	0	Nil	Nil
Mr. Ganesh S. Ganesh (DIN: 00010877)	Non-Executive & Independent Director	1	Nil	Nil
Mr. Vijay Agarwal (DIN: 00058548)	Non-Executive & Independent Director	7	3	1
Mrs. Preeti Trivedi (DIN: 00179479)	Non-Executive & Independent Director	1	Nil	Nil

**Note:**

1. The Directorship held by Directors as mentioned above, do not include Directorships in Compuage Infocom Limited and of Foreign Companies, Section 8 Companies of the Companies Act, 2013 and Private Limited Companies.
2. In accordance with SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015, 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, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015, none of the directors hold directorship in more than 20 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, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

## 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 Committee meetings of the Board.

**Twelve (12)** Board Meetings were held during the financial year 2015-16 and the maximum time gap between two (2) meetings did not exceed one hundred and twenty days.

The dates on which the Board Meetings were held are as follows:

**May 15, 2015 :: May 18, 2015 :: May 27, 2015 :: June 30, 2015  
:: August 14, 2015 :: October 1, 2015 :: October 14, 2015 ::  
November 14, 2015 :: November 28, 2015 :: January 12, 2016  
:: February 8, 2016 :: March 8, 2016.**

Name of the Directors	Relationship with other Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last A.G.M.
Mr. Atul Mehta (DIN: 00716869)	Brother of Mr. Bhavesh Mehta	12	12	YES
Mr. Bhavesh Mehta (DIN: 00740861)	Brother of Mr. Atul Mehta	12	12	YES
Mr. Ganesh S. Ganesh (DIN: 00010877)	#	12	7	YES
Mr. Vijay Agarwal (DIN: 00058548)	#	12	7	NO
Mrs. Preeti Trivedi (DIN: 00179479)	#	12	7	NO

# There is no relationship among any of the Directors.

The Board has granted leave of absence to the Directors who were absent at the respective Board Meeting(s) at their request. Separate Board Meeting of Independent Directors was held to review the performance of Executive Directors and the Board as a whole.

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

All the Independent Directors of the Company were present at the meeting.

### Code of Conduct:

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel as on March 31, 2015 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto in the Corporate Governance Report.

## COMMITTEES OF THE BOARD

As per the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has following Committees:

- A. Audit Committee;
- B. Stakeholders' Relationship Committee;
- C. Nomination and Remuneration Committee;
- D. Corporate Social Responsibility Committee;

### A. AUDIT COMMITTEE

#### a) Qualified and Independent Audit Committee

The Company has a qualified and independent Audit Committee constituted with three directors as members. All the members of audit committee are independent directors of the company. All members of audit committee are financially literate and having broad accounting or related financial management expertise. Mr. Ganesh S. Ganesh, the Chairman of the Audit Committee is an Independent Director of the Company.

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 previous Annual General Meetings of the Company was held on September 25, 2015 and it was attended by the Chairman of the Audit Committee.

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

#### b) 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 Listing Regulation, as under:

- 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, re-appointment and, if required, the Replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the Management, the annual financial statements and auditors' report before submission to the Board for approval, with particular reference to:
  - Matters to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - 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 any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and

- performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, 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;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - 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;
  - 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;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
  - To review the functioning of whistle blower mechanism.
  - Approval of appointment of CFO;
  - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
  - To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor's Report;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - To mandatorily review the following information;
  - To define significant related party transactions;
    - 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 the chief internal auditor

The composition of the audit committee and the details of meetings attended by its Members are given below:

Name of Director	Category	Position	No. of meetings	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman	5	5
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	5	5
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member	5	5

The Committee met 5 times during the year under review. The said meetings were held on 01.04.2015, 15.05.2015, 14.08.2015, 14.11.2015, 08.02.2016.

The necessary quorum was present for all the meetings.

## B. 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 Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviews and approves the annual salaries, performance commissions, service agreements and other employment conditions for executive directors.

**The role and terms of reference of Nomination & Remuneration Committee shall, inter-alia, include the following :**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their

appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

- The 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 Nomination & Remuneration Committee to examine and recommend / approve.

### Composition

The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

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

The Committee met 3 times a year on 14.08.2015, 28.11.2015 and 08.02.2016. The necessary quorum was present for all the meetings.

The Company 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 Nomination & Remuneration Committee considers 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 H. 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 H. 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.

As the service contract had expired during the year 2014, Company sought Members approval for reappointment and increase in remuneration to Rs.1,80,00,000/- p.a. each to Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta. On receipt of Members approval an application, pursuant to Section 197 of the Companies Act, 2013, read with Schedule V of the Act, was filed with Central Government seeking their approval. However, the Central Government has closed the file on technical grounds for which the Company has made an application after complying with necessary corrections and requested to reopen the same. Confirmation for the same is awaited till then the excess remuneration will be held in trust by the Directors.

#### Remuneration to Non-Executive Directors:

There was a revision in the sitting fees of Non-Executive Independent Directors of the Company Mr. Vijay Agarwal and Mrs. Preeti K. Trivedi based on the recommendation of Nomination & Remuneration Committee. The Board at its meeting held on August 14, 2015 approved the revision in sitting fees from Rs.20,000/- to Rs.1,00,000/-.

Further, Mr. Ganesh S. Ganesh, Non-Executive Independent Directors of the Company stated 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 March 31, 2016 is as under:

Name of the Director	Nos. of Equity shares
Mr. Ganesh S. Ganesh	251
Mr. Vijay Agarwal	NIL
Mrs. Preeti K. Trivedi	NIL

The Company does not have any Employee Stock Option Scheme. Additional details pertaining to remuneration is covered in Directors' Report.

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of three members. The Committee meets on a regular basis to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc

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, 2015.

The composition of Stakeholders Relationship Committee and the details of meetings attended by its Members are given below:

Name of Director	Category	Position	No. of meetings attended
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Chairperson	5
Mr. Atul Mehta	Chairman & Managing Director	Member	5
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Member	5

- a) The Stakeholders Relationship Committee met 5 times during the financial year on 15.05.2015, 15.07.2015, 14.08.2015, 14.11.2015, 08.02.2016. Ms. Disha Shah, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.
- b) The Company has also appointed Link Intime Private Limited, Mumbai, to act as Registrar and Share Transfer Agent of the Company.
- c) Details of investor complaints received and redressed during the year 2015-16 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing
Nil	Nil	Nil	Nil

#### D. Corporate Social Responsibility (CSR) Committee

With a view to ensure that the company is complying with its responsibility towards society and also pursuant to section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee has been formed and on the recommendations of the committee corporate social responsibility policy has been approved by the Board.

The Composition of the CSR Committee and details of meetings attended by its members are given below:

Name of Director	Category	Designation	No. of meetings attended	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairperson	4	4
Mr. Vijay Agarwal	Chairman & Managing Director	Member	4	4
Mr. Bhavesh Mehta	Non-Executive Independent Director	Member	4	4

The CSR Committee met 4 times during year on 01.04.2015, 14.08.2015, 14.11.2015 and 08.02.2016.

The CSR Committee is empowered pursuant to its terms of reference, inter alia, to:

1. Recommend the amount of expenditure to be incurred on the CSR activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives of the Company form part of the

CSR Section in the Annual Report. The CSR Policy has been Placed on the website of the Company and can be accessed through the following link: [http://www.compuageindia.com/share\\_pdf/CSR\\_POLICY.pdf](http://www.compuageindia.com/share_pdf/CSR_POLICY.pdf)

#### 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 (V) 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
2014-15	16th AGM	25.09.2015	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400034	No Special Business
2013-14	15th AGM	23.08.2014	10.00 a.m	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400034	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Ganesh S. Ganesh (DIN: 00010877) as an Independent Director.</li> <li>2. Appointment of Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director</li> <li>3. Appointment of Mrs. Preeti K. Trivedi (DIN: 00179479) as an Independent Director</li> <li>4. Re-appointment of Mr. Atul H. Mehta (DIN: 00716869) as Managing Director</li> <li>5. Re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-time Director designated as Executive Director</li> </ol>
2012-13	14th AGM	07.09.2014	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

During the year, three special resolutions were passed through Postal Ballot, results of which are as under:

During the year ended on March 31, 2016 the Company sought the approval of its members by way of Postal Ballot, notice dated March 28, 2015. Mr. Virendra Bhatt, Practicing Company Secretary, Mumbai was appointed by the Board of Director as Scrutinizer to conduct the postal ballot exercise. Mr. Virendra Bhatt conducted the process and submitted his report to the Chairman and Managing Director. The result was declared on the May 19, 2015.

## RESOLUTION NO. 1: APPROVAL FOR THE ISSUE OF BONUS SHARES

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	4513953	4513953	100.00	4513953	0	100.00	0.00
Public Institutional Holders	40	0	0.00	0	0	0.00	0.00
Public-Others	2141007	995668	46.50	995668	0	100.00	0.00
<b>Total (A)</b>	<b>6655000</b>	<b>5509621</b>		<b>5509621</b>	<b>353</b>	<b>100.00</b>	<b>0.00</b>

**RESOLUTION NO. 2: ADOPTION OF NEW MEMORANDUM OF ASSOCIATION OF THE COMPANY IN CONFORMITY WITH THE COMPANIES ACT, 2013**

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	4513953	4513953	100.00	4513953	0	100.00	0.00
Public Institutional Holders	40	0	0.00	0	0	0.00	0.00
Public-Others	2141007	995668	46.50	995668	0	100.00	0.00
<b>Total (A)</b>	<b>6655000</b>	<b>5509621</b>		<b>5509621</b>	<b>353</b>	<b>100.00</b>	<b>0.00</b>

**RESOLUTION NO. 3: ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY CONTAINING REGULATIONS IN CONFORMITY WITH THE COMPANIES ACT, 2013**

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	4513953	4513953	100.00	4513953	0	100.00	0.00
Public Institutional Holders	40	0	0.00	0	0	0.00	0.00
Public-Others	2141007	995668	46.50	995668	0	100.00	0.00
<b>Total (A)</b>	<b>6655000</b>	<b>5509621</b>		<b>5509621</b>	<b>353</b>	<b>100.00</b>	<b>0.00</b>

The Company does not intend to pass any resolution through postal ballot till the date of signing of this report.

**Extraordinary General Meetings:**

An Extraordinary General Meeting was held on June 17, 2015 to consider and approve Preferential Allotment of 11,00,000 Equity Shares to Kitara India Micro Cap Growth Fund.

**IV. MEANS OF COMMUNICATION**

I. Quarterly/Half Yearly/Annual Results: The quarterly/ half yearly/ annual financial results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and published in one English Daily and one Marathi daily news papers. Generally, results are published in Financial Express 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 latest Shareholders' information is made 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.

## V. GENERAL SHAREHOLDERS INFORMATION

### 1. ANNUAL GENERAL MEETING

**Date and Time :** September 24, 2016 at 10.00 a.m.

**Venue :** Victoria Memorial School of Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai-400034

### 2. Board Meeting for considering of Audited Accounts :

May 2, 2016

### 3. Book Closure Date :

September 17, 2016 to September 25, 2016 (Both days inclusive)

### 4. Dividend Payment Date :

On or after September 25, 2016

### 5. Financial year :

April 1, 2015 to March 31, 2016

### 6. Last date of receipts of proxy forms :

10.00 a.m. on September 22, 2016

### 7. 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.

### 8. Listed on Stock Exchanges :

#### • BSE Limited

Address of Stock Exchange : Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

#### • National Stock Exchange of India Limited

Address of Stock Exchange: National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

### 9. Scrip Code/ID :

• For BSE Limited: 532456/ COMPUAGE

• For National Stock Exchange of India Limited: COMPINFO

**10. Stock Price Data:** The monthly movement of equity share prices during the year at BSE is summarized below:

Monthly Share Price movement during the financial year ended March 31, 2016 at BSE		
Month	*BSE	
	High	Low
April, 2015	99.38	81.25
May, 2015	110.70	82.63
June, 2015	103.90	77.35
July, 2015	95.00	83.10
August, 2015	102.00	75.50
September, 2015	96.00	82.00
October, 2015	112.00	84.00
November, 2015	144.00	88.50
December, 2015	159.00	115.20
January, 2016	144.80	85.00

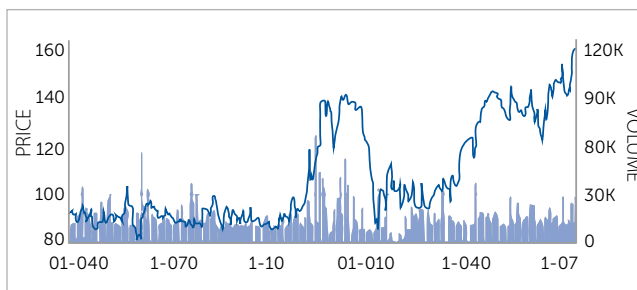
### Monthly Share Price movement during the financial year ended March 31, 2016 at BSE

Month	*BSE	
	High	Low
February, 2016	119.80	86.20
March, 2016	111.90	91.80

Source: BSE Website

### 11. Stock Performance:

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



### 12. 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.

### 13. Payment of Depository Fees:

Annual Custody/Issuer fees for the year 2016-17 have been paid by the Company to NSDL and CDSL.

### 14. 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

### 15. Share Transfer System and Registrar and Transfer Agent:

The share transfers/transmissions are approved by Stakeholders Relationship Committee. There are no share transfers pending as on March 31, 2016.

The Company's Shares are required to be compulsorily traded on 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.

## 16.(i) Distribution of Shareholding as on March 31, 2016:

No. of Equity Shares held	Shareholders		Shares	
	Nos.	Nos.	%	Nos.
Upto-500	2048	87.0748	216080	1.8393
501-1,000	145	6.1650	104592	0.8903
1,001-2,000	58	2.4660	86000	0.7320
2,001-3,000	29	1.2330	73515	0.6258
3,001-4,000	17	0.7228	59009	0.5023
4,001-5,000	5	0.2126	23559	0.2005
5,001-10,000	12	0.5102	92596	0.7882
10,001 – Above	38	1.6156	11092648	94.4216
<b>Total</b>	<b>2352</b>	<b>100.0000</b>	<b>11747999</b>	<b>100.0000</b>

## (ii) Category of Shareholdings as on March 31, 2016:

Category	No. of shares	% of Shareholding
Promoters & Promoters Group	7222324	61.48
Clearing Member	30169	0.26
Foreign Company	87560	0.74
Foreign Portfolio Investor (Corporate)	1100000	9.36
Hindu Undivided Family	47165	0.40
Market Maker	64	0.00
Nationalised Banks	64	0.00
Non Resident (Non Repatriable)	1641	0.01
Non Resident Indians	1113583	9.48
Other Bodies Corporate	1011984	8.61
Public	1133445	9.65
<b>Total</b>	<b>11747999</b>	<b>100.00</b>

## 17. Financial Release Dates:

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	Mid of August 2016
2nd Quarter ending 30th September	Mid of November 2016
3rd Quarter ending 31st December	Mid of February 2017
4th Quarter ending 31st March	End of May 2017

## 18. Dematerialisation, liquidity and lock-in of Shares:

## (a) Dematerialisation Position as on March 31, 2016:

Total No. of fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
11747999	11525297	98.10	222702	1.89

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 March 31, 2016, 98.10% 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 **INE070C01029**.

(b) Details of Locked-in Shares: Shares issued to shareholder, Kitara India Micro Cap Growth Fund are locked in upto July 21, 2016.

## 19. Outstanding GDRs/ADRs

The Company has not issued any GDRs/ADRs, therefore question of outstanding GDRs / ADRs, etc. as at the end of March 2016, does not arise.

## 20. 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: investors.relations@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.

## 21. 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.

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	Due date for transfer to IEPF
2009-10 (Final)	14.08.2010	10.12.2017
2010-11 (Final)	29.07.2011	26.09.2018
2011-12 (Interim)	11.11.2011	01.09.2018
2011-12 (Final)	30.08.2012	28.10.2019
2013-14 (Final)	23.08.2014	21.10.2021
2014-15 (Final)	25.09.2015	23.11.2022

## 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably.

Ethics is at the core of any business. Your Company in staying true ethically and connected to its values of Strength, Performance and Passion has established a Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, pursuant to the Companies Act, 2013 and the Listing Regulations. Accordingly, this Whistleblower Policy ("the Policy") has been

formulated for Directors and Employees of the Company to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. The policy is also posted on the website of the Company. The Audit Committee has ensured that neither complaints have been lodged against vigil mechanism nor any personnel have been denied access to the Audit Committee.

### 23. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal into commodities and hence commodity price risk does not arise. However, the Company has adequate systems and measures to manage foreign exchange risk.

#### DISCLOSURES:

- a) Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- b) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [www.compuageindia.com](http://www.compuageindia.com)
- c) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- d) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the year under review. However, during the year 2014-2015, BSE has imposed penalty under Clause 31 of Listing Agreement with respect to late submission of Annual Report for the Year Ended March 31, 2014 and the same has been paid by the company.
- e) The Company has in Place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- f) During the year ended March 31, 2016, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website.
- g) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.
- h) The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations. In respect of compliance with the non-mandatory requirements, the internal auditor reports directly to the Audit Committee as well as Board.
- i) Compliance Certificate as required under as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 obtained from Practising Chartered Accountant, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Regulations is given as an Annexure to this Report.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members of Compuage Infocom Limited**

We have examined the compliance of conditions of Corporate Governance by Compuage Infocom Limited, ('the Company'), for the year ended on March 31, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchange.

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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange.

We further state that such compliance is neither an 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.

For **B.V. Dalal and Co.**  
Chartered Accountants  
Firm Registration No.: 114214W

Sd/-  
**Manori Shah**  
Partner  
Membership No.:104640

Place: Mumbai  
Date: August 5, 2016

## CMD & CFO COMPLIANCE CERTIFICATE

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 (E), Mumbai-400063.

- A. We have reviewed audited Financial Statements and the Cash Flow Statement for the year ended March 31, 2016 and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the period which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the Auditors and the Audit Committee that:
1. There were no significant changes in internal control over financial reporting during theyear;
  2. There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. There were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Mumbai  
Date: May 2, 2016

Sd/-  
**Atul Mehta**  
Chairman & Managing Director

Sd/-  
**Sunil Mehta**  
Chief Financial Officer

## DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Mumbai,  
Date: May 2, 2016

Sd/-  
**Atul H. Mehta**  
Chairman & Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS

### Global economy overview:

Global economic growth was pegged at 3.1% in 2015, marginally lower than in 2014. The slowdown in emerging economies has been attributed to freefalling commodity prices, rebalancing in China, plummeting oil prices and challenging macroeconomic factors (Source: National Bureau of Statistics).

Oil prices saw a marked decline in September 2015, reflecting expectations of increase in production by OPEC members amid a steadily widening skew between global oil production and consumption. Future markets are currently suggesting only modest increases in prices in 2016 and 2017. Prices of other commodities, especially metals, have fallen as well.

The United States remains resilient, supported by improving financial conditions and strengthening housing and labour markets, but with dollar strength weighing all too heavily on manufacturing activity, investment in mining structure and equipment segments has curtailed.

The World Bank estimates that China grew at an estimated 6.9% in 2015. It is also estimated that China will grow at 6.7% in 2016 and 6.5% each in 2017 and 2018. Meanwhile, Russia and Brazil are projected to remain in recession in 2016.

Although economies that are dependent on commodity exports may suffer, lower input prices for industry as well as lower fuel prices for households will provide a boost to aggregate demand and global growth.

### Indian economic overview

The World Bank projected that India will grow by a robust 7.5% in 2016 and 8% in the next two years. With the recent fall in oil prices,

India remains the bright spot of the global economy as Chinese growth is predicted to slow further. In contrast, to other major developing countries, growth in India remained robust, lifted by strong investor sentiment and the positive effect on real incomes of the recent fall in oil prices.

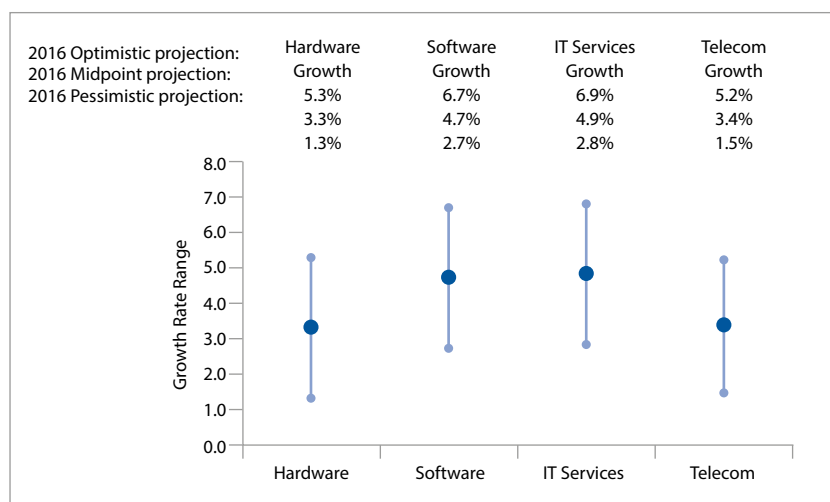
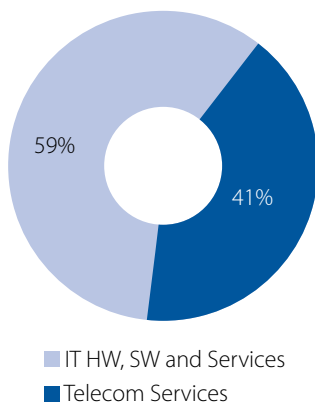
The IIP revealed that manufacturing production grew by 3.1% during April – December 2015-16, vis-à-vis a growth of 1.8% in the corresponding period of the previous year. The Central Government has launched a slew of initiatives to boost industrial growth such as 'ease of doing businesses,' 'Make in India' and 'e-biz Mission Mode'.

Governmental initiatives like Make in India will help the Indian economy to grow vigorously. The changes in customs and excise duty rates for certain inputs will reduce costs and improve competitiveness of domestic sectors like IT, capital goods, defence, textiles, minerals and oils. The Reserve Bank of India also played an important role in determining the growth structure of India by reducing the repo rate by 25 basis points from 6.75% to 6.50%. (Sources: IBEF, IMF)

### Global IT industry scenario

The global IT market, encompassing hardware, software, services, and telecommunications, is expected to reach US \$3.8 trillion in 2016, up from US \$3.7 trillion the previous year. The US market accounts for approximately 28% of the total, or slightly more than \$1 trillion. The growth will involve a mix of foundational product categories, such as personal computers or servers, supplemented with emerging categories adding new streams of revenue. On a global basis, the hardware, software and services categories account for 59% of the industry, with telecom services accounting for the remaining. (Source: IDC)

### Global IT Market



### Indian IT industry scenario

India is the world’s largest sourcing destination for the IT industry, accounting for approximately 67% of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India’s cost competitiveness in providing IT services, which is approximately three to four times cheaper than the US, continues to be the mainstay of its USP in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

India will remain the world’s fastest growing IT market in 2016 as it is expected to spend more than US\$ 72 billion on IT services, products and hardware, up from 7.2% from 2015. The growth will come on the back of the digitisation wave catching up with Indian companies and the growing number of connected devices that form the IoT. It is predicted that spending on IoT hardware will exceed US \$2.5 million per minute in 2016.

Devices, which include mobile phones, personal computers and tablets, will account for almost 33% of the overall IT spend in India, growing at 9.3% in 2016. While data centre systems will grow 3.9% in 2016, IT services, which accounts for 18.1% of the overall IT spend, will be the fastest growing segment in 2016 with 13.8% growth year on year.

Software, which accounts for nearly 7% of IT revenues in India, will grow at a rate of 12.7%. Communications services will continue to account for the largest share of IT spend (39.2% of revenues in 2016). However, this will also be the slowest growing segment, with a 2.1% rise in revenue in 2016. (Source: Gartner)

### Industry outlook

Technology is not only fueling major business transformation

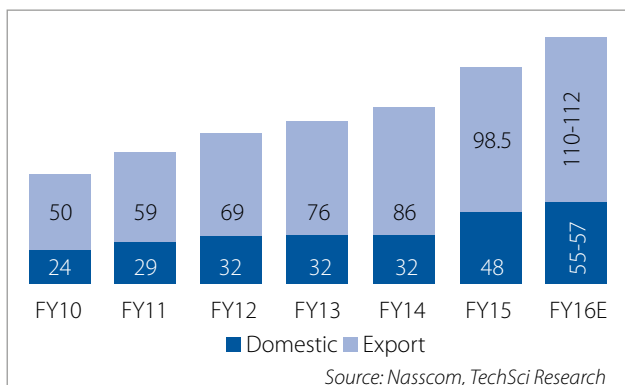
across industries, it’s also changing how technology enterprises sell their products and services, operate, and plan for future growth. India is the world’s largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The Indian IT sector is expected to grow at a rate of 12-14 per cent for financial year 2016-17 in constant currency terms. The sector is also expected triple its current annual revenue to reach US\$ 350 billion financial year 2025, as per National Association of Software and Services Companies (NASSCOM). India’s cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its unique selling proposition (USP) in the global sourcing market.

The wholesale distribution model has proven to be well suited for both manufacturers and publishers of technology products (also referred to in this document as “vendors”) and resellers of those products. The large number of resellers makes it cost efficient for vendors to rely on wholesale distributors to serve this diverse and highly fragmented customer base.

The technology distribution industry continues to address a broad spectrum of reseller and vendor requirements through wholesale distributors as they possess proven capabilities to manage multiple products and resellers, provide access to fragmented markets, and deliver products in a cost-effective and efficient manner.

New products and market opportunities have helped to offset the impact on technology distributors of vendor direct sales. Further, vendors continue to seek the logistics expertise of distributors to penetrate highly fragmented markets such as the small- and medium-sized business (“SMB”) sector. The economies of scale and global reach of large industry-leading and well-capitalized distributors are expected to continue to be significant competitive advantageous in this market place.

### Market size of IT industry in India (USD billion)



### Transforming India – IT space

The IT industry contributes nearly 9.5% of India’s GDP and is the largest private sector employer, generating 3.5 million jobs directly and over 10 million jobs indirectly. However, the dividends of India’s digital growth have been unevenly realised, providing lots of opportunities for improvement, including:

- Mobile penetration in India is still relatively low. India’s rural populace makes up approximately 68% of the population but account for just over 40% of its mobile users.
- India is ranked 156th in the world in terms of broadband penetration (at over 19%) as per the UN Broadband Commission report, 2015.
- Nine out of 10 workers are informally employed and lack social



protection. Most workers lack the adequate education or skills while the educated youth segment faces high unemployment rates.

To bridge this digital divide and to provide a digital platform for inclusive growth, the Indian Government launched the Digital India initiative in July 2015, with the aim of transforming India into a digitally empowered society and a burgeoning knowledge economy.

The three key elements of the Digital India initiatives are:

- Digital infrastructure as a utility to every citizen,
- Governance and services on demand, and

## Opportunities and threats

Technology is the backbone of the digital economy. The rate of change and the level of disruption driven by modern technology are exponential. Advancements in computer processing power, data storage, and chip design; the ubiquity of bandwidth; enterprise mobility; and many other developments that have unfolded in recent years are enabling myriad opportunities that were once impossible, both technologically and economically.

Now, we have reached a tipping point where cognitive computing, big data analytics, cloud computing, and the rapidly growing Internet of Things (IoT) are transforming businesses around the globe—including those outside the technology sector. We're also seeing promising advancements in materials, software, fabrication techniques and machine design that are likely to lead to an expansion in enterprise applications.

There are several views on what all this change means for the tech sector. Some suggest that as the next new economy evolves, a select group of enterprises will hold all the knowledge and innovation cards, pushing smaller and aspiring players so far off the sidelines that they won't be able to compete. Others take an opposite view that affordable access to technology and information will allow almost any innovator anywhere to rapidly develop prototypes, outsource manufacturing and distribution, and gain access to global markets, while remaining independent.

We anticipate that both scenarios will exist in harmony, creating valuable ecosystems. Parts of the tech economy (e.g., cloud and data storage, hardware, computers and systems) will need to scale to battle continuing margin pressures. Fragmentation will also increase, with more startup ventures launched to develop ideas, solutions, and products that can stand on their own or complement existing platforms and devices with specific applications.

## Industry trends

Changing business dynamics: India's IT market is experiencing a significant shift from a few large-size to multiple small-size ones. The number of start-ups in technology is expected to reach 50,000 adding to around 2% of GDP. Delivery modes are being altered, as

- Digital empowerment of citizens

The aim is to enable the participation of Indians in the digital and finance spaces through the JAM trinity, which comprises:

- **Jan-Dhan:** A programme to foster financial inclusion (thus far 170 million bank accounts have been opened within a span of 100 days).
- **Aadhaar:** A programme to provide digital IDs (thus far 920 million UIDs have been issued).
- **Mobile:** A programme to leverage the nearly billion mobile phone connections through the creation of mobile IDs and mobile-based service delivery.

the business is moving to capital expenditure based models from operational expenditure from a vendor's frame of reference.

Large players gaining advantage: Large players with a wide range of capabilities are gaining ground as they move from being simple maintenance providers to full service players, offering infrastructure, system integration and consulting services. Of the total revenue, about 80% is contributed by 200 large and medium players.

New technologies: Disruptive technologies, such as cloud computing, social media and data analytics, are offering new avenues of growth across verticals for IT companies. The SMAC (social, mobility, analytics, cloud) market is expected to grow to US\$ 225 billion by 2020.

Emergence of Tier-II cities: Tier-II and III cities are increasingly gaining traction among IT companies, aiming to establish business in India. Cheap labour, affordable real estate, favourable government regulations, tax breaks and SEZ schemes facilitating their emergence as a new IT destination. Giving rise to the domestic hub and spoke model, with Tier I cities acting as hubs and Tier-II, III and IV as spokes.

## Why is the IT sector growing?

- Rapid industrialisation and growth of IT parks in the country
- Partial privatisation of telecommunication
- Development of SEZs
- Readily available resource in the country
- Low operating costs
- Tax breaks and sops offered by the Central and State Governments

## Growth projections

- India's IT industry is expected to reach US\$ 143 billion by end-FY16.
- The e-commerce segment is expected to add estimated revenues worth Rs. 108,400 crore by end-FY16.
- Exports are expected to grow by ~12% in constant currency terms to reach the US\$ 121 billion-markbyend-FY16.

- The domestic exports are expected to grow by ~13% and reach the Rs. 159,000 crore-mark by end-FY16.
- 2 lac employees are expected to be added to the IT-BPM workforce beyond-FY16. (Source: NASSCOM)

**Outlook**

- **Hardware:** Growth in sales is pegged at Rs 1.1 trillion in 2016, corresponding to a CAGR of 8.3%. Rising incomes will and incentives under the 'Make in India' initiative will brighten medium-term prospects.
- **Software:** Sales are likely to increase by Rs. 301 billion in 2016. An underpenetrated market will drive demand for cloud services especially in the SME segment.
- **IT services:** Sales are expected to increase by Rs. 837 billion in 2016. Growth in the services market will be catalysed by the fast-expanding market for IoT.

**Governmental initiatives**

- **Telecommunication services:** The Union Budget outlay for the Department of Telecommunications for 2016-17 is Rs. 5,800.95 crore.
- **Information technology:** The Department of Electronics and Information Technology under the aegis of the Ministry of Communications and Information Technology is responsible for formulation, implementation and review of national policies for promotion of electronics and information technology in the country as well as the Digital India programme. The Union Budget outlay for the Department of Electronics and Information Technology for 2016-17 is Rs. 3,200 crore.

**What makes India the world's #1 IT outsourcing**

**destination?**

- **Connected economy** - An ever-burgeoning population of 1.2 billion people, a potential middle-class of 475 million people by 2030, nearly a billion mobile phone subscribers and over 300 million accessing mobile internet represents a hard-to-ignore end-user market for the world. The Government of India is expected to invest USD 19 billion in digital investments by 2020.
- **Business delivery** - Over the last quarter of a century of its existence, India's IT-BPM sector has succeeded in creating a worldwide presence – onshore, offshore, near-shore – for its customers. Present in over 78 countries through about 670 offshore development centres, 75% of its customers are Fortune 500 enterprises. The industry landscape consists of over 16,000 firms including several multi-billion dollar behemoths. Moreover, there are innumerable startups which are mushrooming all across the nation as India emerges as a hotbed for innovational and disruptive services.
- **Talent base** - India currently has over 6 million graduates and its IT-BPM employee has cemented its reputation as the largest private sector employer with 3.7 million projected recruits. Digitally skilled employees number 250,000 – analytics (90,000), mobility (70,000) and cloud and social media (70,000)
- **Digital hub** - India was third-largest base globally with 4,200 startups, increasing from 1,200 in 2015 and clocked a 250% growth in funding in the B2B space over the last year. New business models were introduced as were differentiated pricing strategies, in order to bolster business agility. Business process alignment and technology advancement measures were undertaken to enhance customer delight and catalyse procedural excellence.

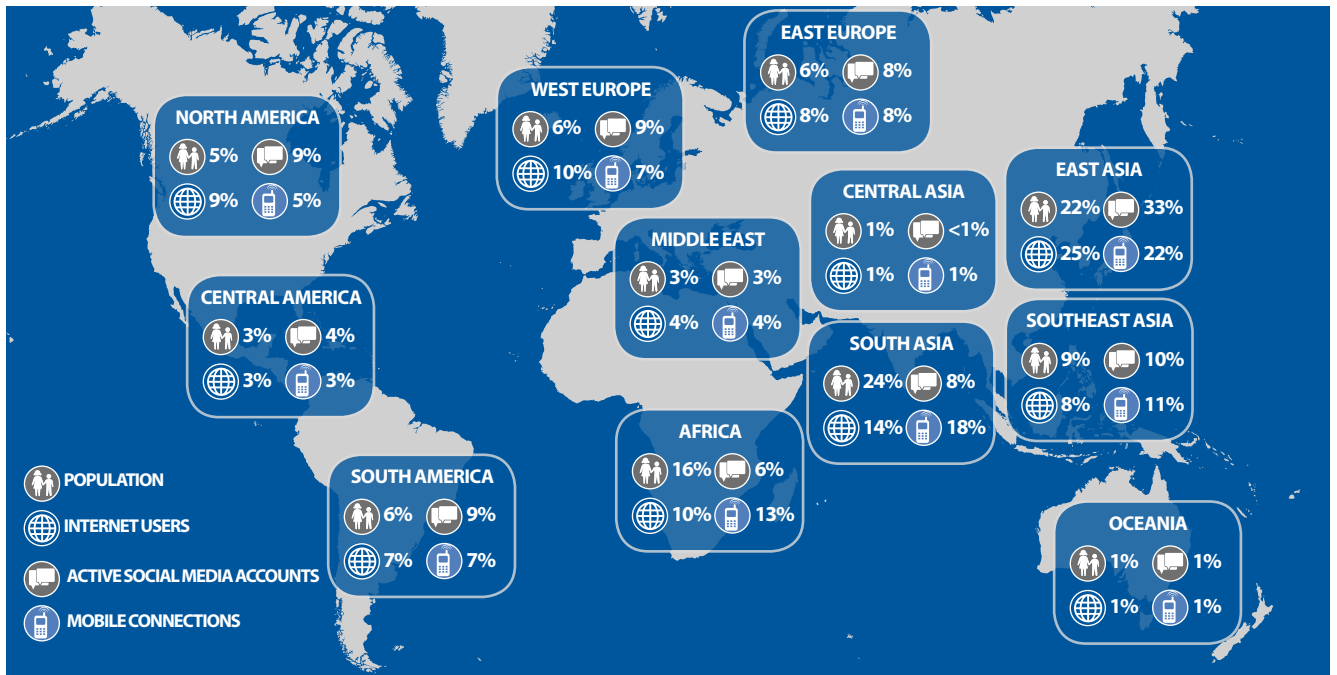


Figure: Share of global users

### Desktops and personal computers segment

The global personal computer shipment market is expected to total 287 million units in 2016, a y-o-y decline of 1%, but is expected to increase by 4% in 2017. Worldwide personal computer sales slid to 10.1% in 2015, a fourth consecutive down year. The market is expected to stabilise by end-2016 and grow slightly in the following three years, driven by the replacement of older machines.

Personal computer sales have been hit by a number of snags like durability and competition from mobile phones and tablets. Despite the substantial shift from personal computers toward tablets and phones in recent years, very few people are actually giving up on their personal computers, they are just making it last longer. Although mainstream professional personal computers bore the brunt of insipid demand, there has been a continued growth in demand for notebooks with detachable keyboards, both in business as well as consumer segments.

Although, the size of the Indian hardware market grew by 23.98% to \$15.87 billion in the 2014-15 fiscal, personal computer sales saw a decline of 10% to stand at 10.62 million units. Currently, the total numbers of personal computers in India are 110 million.

Worldwide personal computer shipments totaled 64.8 million units in Q1FY 2016, a 9.6% decline from 2015. All major regions showed y-o-y declines, with Latin America showing the steepest drop,

32.4%. In the US, shipments totaled 13.1 million units in Q1FY 2016, a 6.6% decline from Q1FY 2015 and the lowest in the past three years.

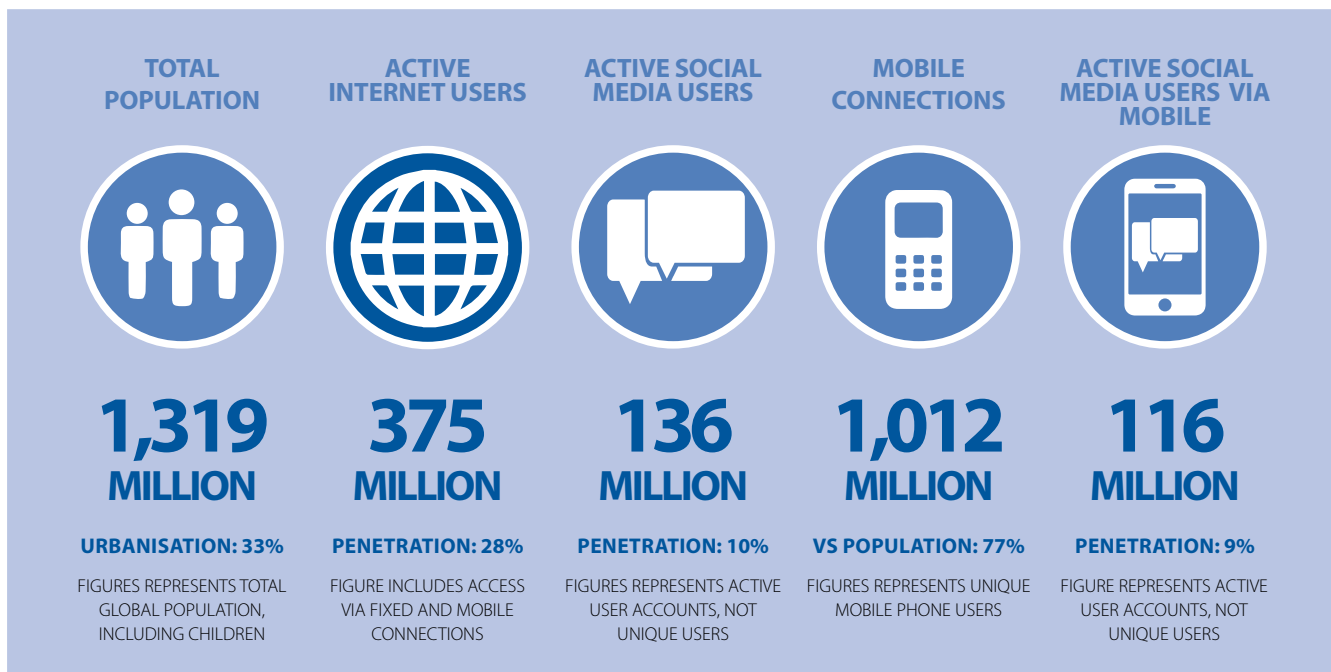
**United States:** Hewlett Packard retained its lead in the US market with a 28.1% share, while Dell held the second position with a 23.9% share. Apple, which continues to buck the trend of an eroding consumer PC market, leveraged the consumer-heavy holiday season to retake third place with a 12.7% share. Lenovo continued its aggressive growth trajectory and its 21.3% y-o-y growth was by far the strongest.

**Europe, the Middle East, and Africa:** The region witnessed another double-digit decline y-o-y in shipments, as vendors remained engaged in clearing inventories. The launch of new products during the holiday season was unable to reverse the trend.

**Asia-Pacific:** The region posted a y-o-y decline with shipments affected by weak consumer demand and high inventory levels. Currency fluctuations increased prices and softened sales, as users continued spending on other devices. The market was particularly soft in India, where floods and weak demand during the festival season contributed to low sales of PCs.

**Japan:** The market performed better than forecasted and posted solid y-o-y growth, however a weakened yen, high inventories, and lack of marketing continued to constrain sales. (Source: IDC)

Figure: A snapshot of India's key digital statistical indicators



### The rural India opportunity – PCs

The demand for desktop computers and notebook PCs in urban areas have declined during the past few years. However, the popularity of these devices picked up in rural India. Sales of desktops and note books fell by 4% and 15%, respectively in urban centres in 2014-15 while, in rural India, sales of desktops and notebooks grew by 33% and 11%, respectively. The sales of desktops in urban centres declined from 5.01 million in 2013-14 to 4.8 million in 2014-15 while rural sales grew from 1.30 million to 1.73 million units during the same period. Likewise, for notebooks, sales in urban areas declined to 5.81 million from 6.84

million units whereas in rural areas it rose to 0.36 million from 0.32 million during the aforementioned period.

What these figures reveal is that urban areas have reached a saturation point. On the other hand the notable increase in rural sales points out the lower penetration rates in these geographies. The growth rate is expected to be propelled by initiatives like Digital India and the increasing digitisation of the banking services and education spaces. Providing low-cost loans and discount vouchers for purchasing PCs will help reduce the 'urban' divide and leverage the digital infrastructure to enable last-mile development.

### Smartphones and feature phones

Global smartphone sales are estimated to reach 1.5 billion units in 2016, a 7% growth over 2015. The total mobile phone market is forecast to reach 1.9 billion units in 2016.

India will exceed 200 million smartphone users, topping the US as the world's second largest smartphone market by 2016 due to increasing penetration of affordable smart mobile devices in the country. China will continue to lead the world rankings in 2016 with

624.7 million smartphones, followed by India (204.1 million), the US (198.5 million), Russia (65.1 million) and Japan (61.2 million).

Globally, there were 1.91 billion smartphone users in 2015 and this number is pegged to increase by 12.6% to touch 2.16 billion in 2016. The number of mobile devices of all types in use in India will grow to more than 684 million in 2016, meaning that 54% of the total Indian population will own a mobile phone.

### The rural Indian mobile phone opportunity

The penetration of mobile phones in rural India has increased from 22% to 38% in the last four years. India houses approximately 720 million mobile phone users, of which 44% hail from India's rural heartlands. It also suggests that there is plenty of room for mobile phone companies to capitalise on. Feature phones registered ~70 million units in sales in 2015 in rural India. The bulk of mobile phone users are reportedly using feature phones costing less than Rs. 3,000, on an average.

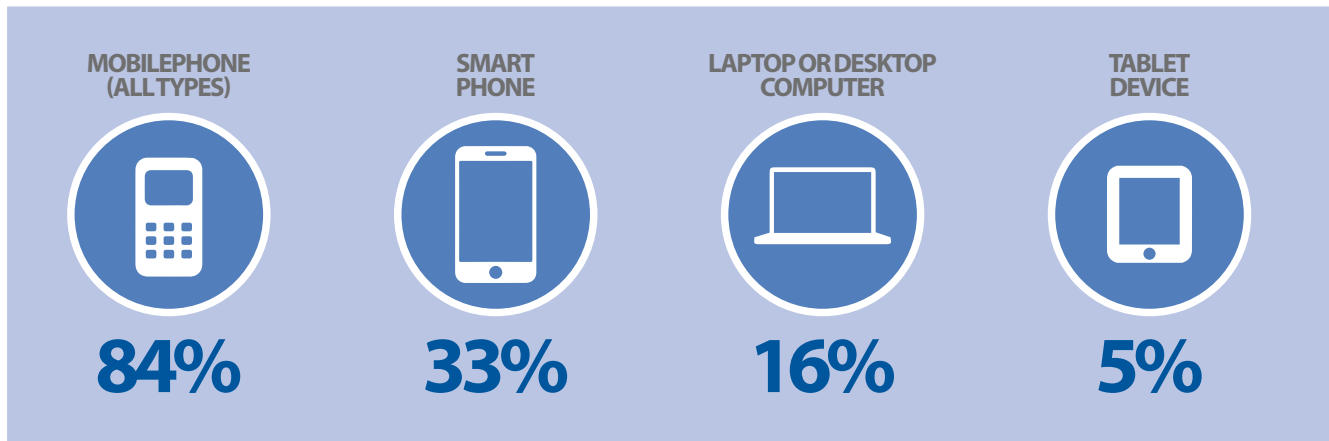
The decline in costs of feature phones and the advent of smartphones have catalysed rural offtake. While mobile

penetration is driven by its utility, a lot of its psychological. For rural consumers, mobility is of paramount importance. Apart from being able to communicate across geographies, for the rural population, the mobile phone is also seen as a medium of entertainment as well as a symbol of prosperity.

Smartphone penetration in the rural areas will be driven by the digitization of banking, commerce, emergency services. Manufacturers will need to scale up and widen reach to better understand the demographic and behavioural patterns of rural Indians, before introducing newer products.



Figure: Percentage of the Indian population that owns each kind of device



### The Digital India campaign – A potential game changer

The Digital India flagship programme (unveiled 1 July 2015) and is designed to build capabilities across infrastructure, manufacturing, processes, skill sets and delivery platforms leading to the creation of a self-reliant knowledge economy.

#### Vision

- Digital infrastructure for every citizen, which includes internet availability, digital identity, mobile phones, bank accounts, safe and secure cyber space, among others
- Real-time service availability on mobile phones and online platforms, enabling electronic and cashless financial transactions
- Digital empowerment of citizens, embracing digital literacy, availability of digital resources in Indian languages, among others

#### Pillars

1. Broadband highways: Provide internet connectivity to 2.5 lac gram panchayats by December 2016 for an investment of ~USD5 billion.
2. Universal access to mobile connectivity: Focus on penetration and connectivity gaps across 42,300 villages at an investment of ~USD2.5 billion by 2018.
3. Public internet access programme: Commission common service centres to offer multi-functional end-points for government services delivery from ~135,000 to 250,000 – one CSC for each gram panchayat. Some 150,000 post offices are

proposed to be converted into multi-service centres by 2016.

4. Provisions for e-governance: Undertake procedural re-engineering using IT tools to improve governmental service delivery. It would also focus on using electronic databases and automating workflow in government offices and using state-of-the-art technology for public grievance redressal.

5. eKranti: Providing electronic delivery of educational, healthcare, judiciary and emergency services, bolstering financial inclusion and cyber security in the process.

6. Information for all: Leveraging open data and online hosting platforms to facilitate easy access to information.

7. Electronics manufacturing: Achieving net zero import-status by 2020 through increased local manufacture.

8. IT for jobs: Training people in remote locations (especially North East). Telecom service providers are expected to train 500,000 people in five years.

#### Impact

- Provision of Wi-Fi services in cities with a population of more than 1 million and all major tourism hubs
- Provision of broadband internet access to 250,000 village clusters by 2019
- Development of 100 'Smart Cities'
- Universal mobile phone connectivity
- Establishment of 400,000 internet access points



## Risks and concerns

- **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.

- **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.

- **Risks due to Company's 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.

- **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.

## 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.

## Key challenges faced by IT sector

- Strong governance mechanism
- Multi-layered approval system
- Infrastructural bottlenecks
- Lack of data protection laws in the country

Some of the key risks facing our business and their mitigation strategies include the following:

### 1. Technology risk:

The products distributed by the Company could become technologically irrelevant.

#### Mitigation:

The Company distributes products of reputed global principals that enjoy market acceptance. The Company interacts extensively with downstream channel partners to map evolving consumer preferences and product performance.

### 2. Dependence risk:

A singular dependence on one principal could affect sustainability.

#### Mitigation:

In 2015-16, the Company widened its principal alliance from 19 to 23. No single principal accounted for more than 27% of revenues in 2015-16; this principal relationship was based around 23 products.

### 3. Portfolio risk:

A limited product offering could result in reseller attrition.

#### Mitigation:

The Company markets 23 products across the fastest-moving segments. It enjoys a growing presence in the Mobility segment (17% of revenues, 2015-16). It added four products in 2015-16, reinforcing its position among the five largest IT product distribution companies in India.

### 4. Network risk:

A weak distribution network could impact revenues



#### Mitigation:

The Company's distribution network comprises 5,500 channel partners, 45 branches and 51 warehouses across 500 cities and town. Nearly 20% of the dealers had worked with Compuage for five years or more by the close of 2015-16.

#### 5. Default risk:

Resellers may be unable to pay for products purchased for onward sale.

#### Mitigation:

The Company invested in a combination of ERP and systemic discipline to eliminate bad debts. Bad debts amounted to a mere .001 per cent of revenues during the year under review.

#### INTERNAL CONTROL SYSTEMS:

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.

- 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.
- 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.

Place: Mumbai

Date: August 5, 2016

- Compuage has an exhaustive budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.
- 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.

#### FINANCIAL PERFORMANCE OVER OPERATIONAL PERFORMANCE AND HUMAN RESOURCES:

Discussion on financial performance over operational performance and developments in Human Resources are has been covered more specifically in the Board's Report.

#### 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, statements 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 statement. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statements, on the basis of any subsequent development, information or event.

**FOR COMPUAGE INFOCOM LIMITED,**

Sd/-

**Atul H. Mehta**

Chairman & Managing Director

## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

### **Compuage Infocom Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Compuage Infocom Limited (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Compuage Infocom Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Compuage Infocom Limited ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under ;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (Not applicable during the audit period);
- (iv) Foreign Exchange Management Act, 1999 & the rules & regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities And Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009,
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable during the audit period);
  - (e) The Securities & Exchange Board of India (Issue & listing of Debt securities) Regulations, 2008 (Not applicable during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable during the audit period);
  - (g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period); and
  - (h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable during the audit period);
- (vi) The Company is engaged in composite range of activities like Information Technology distribution products and services. In our opinion, the Company being operating in the aforesaid diversified activities, various laws/ regulations are applicable to it. In the absence of any identifiable specific major law/ regulation under which the sector and the Company operates we are not in a position to identify and report the same in our report.

For the other applicable laws our audit was limited to:-

- (a) Industrial Disputes Act, 1947
  - (b) The Payment of Wages Act, 1936
  - (c) The Minimum Wages Act, 1948
  - (d) Employees State Insurance Act, 1948
  - (e) The Payment of Bonus Act, 1965
  - (f) The Payment of Gratuity Act, 1972
- (vii) I have also examined compliance with the applicable clauses of the following:
- (i) The Listing agreements entered into by the Company with Bombay Stock Exchange Limited.

- (ii) Secretarial Standards Issued by The Institute of Company Secretaries of India- Prima facie the Company has complied with the same.

**The Company has donated Rs. 36,79,303/- towards Corporate Social Responsibility as per rules and provision of Companies Act, 2013.**

**I further report that during the year, Company had made an application to Central Government for remuneration pursuant to Section 196 of the Companies Act, 2013 read with Schedule V for Mr. Atul Mehta and Mr. Bhavesh Mehta appointed as Managing Director and Whole Time Director respectively. Central Government has closed the file on technical grounds for which the Company has made an application after complying with necessary corrections and requested to reopen the same. Confirmation for the same is awaited till then the excess payment given to Directors will be held in trust.**

**I further report that following Forms are not filed:-**

**a) Form 51NV for Statement of Unpaid/ Unclaimed dividend for the previous years is pending to be filed with ROC.**

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period and I have not verified the correctness and appropriateness of the books of accounts of the Company.

I further report that the board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. During the year there are no changes in the constitution of the Board of Directors.

I further report that as per the information provided prima facie adequate notice is given to all directors to schedule the Board Meetings, agenda & detailed notes on agenda were sent at least seven days in advance & a system exists for seeking & obtaining further information & clarifications on agenda items before the meeting & for meaningful participation at the meeting.

I further report that as per the information provided majority

decision is carried through while the dissenting members' views are captured & recorded as part of the minutes.

I further report that there are prima facie adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period the Company has specific events Bonus Issue and Preferential Allotment.

I further report that our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

**Virendra Bhatt**

Place: Mumbai

Date: July 10, 2016

ACS No – 1157

COP No – 124

Annexure G

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:** Not applicable

**2. Details of material contracts or arrangements or transactions at arm's length basis:** Not applicable

FOR **COMPUAGE INFOCOM LIMITED,**

Sd/-

**Atul H. Mehta**

*Chairman & Managing Director*

Place: Mumbai

Date: August 5, 2016

## Independent Auditor's Report

To,  
The Members of  
Compuage Infocom Limited

### Report on the standalone Financial Statements

We have audited the accompanying standalone Financial Statements of Compuage Infocom Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 the Company's Directors, 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 on the standalone Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March 2016 and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that :
  - (a) we have sought and 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 aforesaid standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors, as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director, in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

Mumbai,  
May 2, 2016

opinion and to the best of our information and according to the explanations given to us :

- (i) the Company has disclosed the impact on pending litigations on its financial position in its Financial Statements – Refer Note 2 (y) to the Financial Statements;
- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Sd/-**  
**Manori Shah**  
*Partner*  
Membership No. 104640



## Annexure A to the Independent Auditor's Report

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone Financial Statements for the year ended 31st March 2016. 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) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Act. Therefore the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (b) According to the information and explanations given to us, the amounts which have not been deposited as on 31st March 2016 on account of any dispute, are as follows :

Name of the statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax & Entry Tax Acts of respective states	Sales Tax and Entry Tax	56.81	2007-2010	Tribunal
		18.94	2007-2013	D. C. Appeal
		4.82	2009-10	J. C. Appeal
		32.97	2008-09 & 2009-10	Commissioner
		10.55	2011-12	Commissioner
		18.44	2010-11	D. C. Appeal
		12.68	2011-12	D. C. Appeal
		9.82	2010-11	D. C. Appeal
		13.98	2011-12	
		8.25	2012-13	D. C. Appeal
		15.29	2013-14	D. C. Appeal
		32.65	2014-15	D. C. Appeal
		1.88	2015-16	D. C. Appeal
41.90	2015-16	J. C. Appeal		

Name of the statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	4.24	2009-10	CIT (Appeals)
		2.41	2010-11	CIT (Appeals)
		4.12	2011-12	CIT (Appeals)
The Customs Act, 1962	Custom Duty	213.27	2008-2015	Departmental Authorities / CESTAT

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. There are no loans or borrowing from the government. There are no debenture holders.
- (ix) 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 they were raised. The Company has not raised moneys by way of initial public offering or further public offer during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) **To the best of our knowledge and belief and according to the information and explanations given to us, the Company had made an application to the Central Government for remuneration pursuant to Section 197 of the Companies Act, 2013, read with Schedule V of the Act for Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta appointed as Managing Director and Whole-time Director respectively. Central Government has closed the file on technical grounds for which the Company has made an application after complying with necessary corrections and requested to reopen the same. Confirmation of the same is awaited.**
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 42 of the Act with regard to preferential allotment of shares during the year under review. To the best of our knowledge and belief and according to the information and explanations given to us, the amount raised by the Company was, prima facie, has been used by the Company during the year for the purpose for which the funds were raised.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore the provisions of clause 3(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, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

Sd/-  
**Manori Shah**  
Partner  
Membership No. 104640

Mumbai,  
May 2, 2016

## Annexure B to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained

and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-**  
**Manori Shah**

*Partner*  
Membership No. 104640

Mumbai,  
May 2, 2016

## Balance Sheet as at 31st March 2016

(Rs. in Lacs)

Particulars	Note No.	31st March 2016	31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	1,174.80	665.50
(b) Reserves and Surplus	4	8,844.11	7,357.32
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	-	97.46
(b) Deferred Tax Liabilities (Net)	6	244.78	268.35
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	27,859.60	21,703.27
(b) Trade Payables	8	26,217.34	22,024.99
(c) Other Current Liabilities	9	2,809.55	1,975.42
(d) Short Term Provisions	10	376.87	180.70
<b>Total Equity &amp; Liabilities</b>		<b>67,527.05</b>	<b>54,273.01</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	3,368.00	3,698.93
(b) Non-Current Investments	12	100.99	97.12
(c) Other Non-Current Assets	13	52.20	1.83
<b>(2) Current Assets</b>			
(a) Current Investments	14	251.53	-
(b) Inventories	15	25,430.42	20,022.57
(c) Trade Receivables	16	26,537.10	23,772.22
(d) Cash and Bank Balances	17	8,831.45	3,926.00
(e) Short-Term Loan and Advances	18	2,733.23	2,614.37
(f) Other Current Assets	19	222.13	139.97
<b>Total Assets</b>		<b>67,527.05</b>	<b>54,273.01</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  
of Compuage Infocom Limited

**Manori Shah**  
Partner  
Membership No. : 104640

**G.S. Ganesh**  
Director

**Bhavesh H. Mehta**  
Whole Time Director

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

Place: Mumbai  
Dated: 2nd May 2016

**Sunil Mehta**  
CFO

**Disha Shah**  
Company Secretary

**Statement of Profit and Loss** for the year ended 31st March 2016

(Rs. in Lacs)

Particulars	Note No.	31st March 2016	31st March 2015
I Revenue from Operations	20	2,67,872.85	2,12,888.90
II Other Income	21	1,128.23	998.47
<b>III Total Revenue (I +II)</b>		<b>2,69,001.08</b>	<b>2,13,887.37</b>
IV Expenses:			
Purchase of Stock-in-Trade	22	2,63,022.31	2,02,977.81
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	(5,407.85)	286.58
Employee Benefits Expense	24	2,414.89	2,199.04
Other Expenses	25	2,969.09	2,951.06
<b>Total Expenses (IV)</b>		<b>2,62,998.44</b>	<b>2,08,414.49</b>
<b>V Earnings before Interest, Tax, Depreciation and Amortisation(EBITDA)</b>	<b>(III - IV)</b>	<b>6,002.64</b>	<b>5,472.88</b>
Finance Costs	26	3,425.91	3,253.37
Depreciation	27	449.09	471.32
<b>Profit Before Tax</b>		<b>2,127.64</b>	<b>1,748.19</b>
VI Tax expense:			
(1) Current Tax		740.00	585.00
(2) Deferred Tax		(23.57)	(5.38)
(3) Earlier years		9.13	-
<b>VII Profit/(Loss) for the period from continuing operations</b>	<b>(V-VI)</b>	<b>1,402.08</b>	<b>1,168.57</b>
VIII Earning per equity share:			
(1) Basic		11.93	17.56
(2) Diluted		11.93	17.56

The accompanying notes are an integral part of the Financial Statements.  
This is the Statement of Profit and Loss 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  
of Compuage Infocom Limited

**Manori Shah**  
Partner  
Membership No. : 104640

**G.S. Ganesh**  
Director

**Bhavesh H. Mehta**  
Whole Time Director

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

Place: Mumbai  
Dated: 2nd May 2016

**Sunil Mehta**  
CFO

**Disha Shah**  
Company Secretary

## Cash Flow Statement for the year ended 31st March 2016

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	2,127.64	1,748.20
Adjustment for:		
Depreciation	449.09	471.32
Interest Paid	3,425.91	3,253.37
Interest Received	(912.82)	(987.54)
Dividend Income	(172.89)	(10.85)
<b>Operating Profit Before Working Capital Changes</b>	<b>4,916.93</b>	<b>4,474.50</b>
Increase /(Decrease) in Trade Payables	4,192.35	(751.35)
Increase /(Decrease) in Other Current Liabilities	736.67	(39.46)
Increase /(Decrease) in Short Term Provisions	196.17	(113.94)
Decrease/(Increase) in Inventories	(5,407.85)	286.58
Decrease/(Increase) in Trade Receivables	(2,764.88)	(1,178.15)
Decrease/(Increase) in Short Term Loans & Advances	(118.86)	475.14
Decrease/(Increase) in Other Current Assets	(82.16)	(25.13)
Decrease/(Increase) in Long Term Loans & Advances	-	5.21
Total	(3,248.56)	(1,341.10)
Income Tax	(749.13)	(585.00)
<b>Net Cash Inflow/(Outflow) from Operating Activities.....</b>	<b>919.24</b>	<b>2,548.40</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(118.16)	(126.74)
Sale/(Purchase) of Current Investments	(251.53)	-
Sale/(Purchase) of Non-Current Investments	(3.87)	(23.20)
Interest Received	912.82	987.54
Dividend Income	172.89	10.85
<b>Net Cash Inflow/(Outflow) from Investing Activities.....</b>	<b>712.15</b>	<b>848.45</b>



**Cash Flow Statement** (contd.) for the year ended 31st March 2016

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	6,156.33	(17.80)
Interest Paid	(3,425.91)	(3,253.37)
Dividend & Dividend Tax Paid	(405.89)	(159.71)
Issue of shares (including Premium)	999.90	-
<b>Net Cash Inflow/(Outflow) From Financing Activities.....</b>	<b>3,324.43</b>	<b>(3,430.88)</b>
Net Increase/(Decrease) In Cash and Cash Equivalents.....	<b>4,955.82</b>	<b>(34.04)</b>
Cash and Cash Equivalents as at beginning of the year	3,927.83	3,961.87
Cash and Cash Equivalents as at end of the year	8,883.65	3,927.83
	<b>4,955.82</b>	<b>(34.04)</b>

We have examined the above Cash Flow Statement of Compuage Infocom Limited for the year ended March 31, 2016.

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  
of **Compuage Infocom Limited**

**Manori Shah**  
*Partner*  
Membership No. : 104640

**G.S. Ganesh**  
*Director*

**Bhavesh H. Mehta**  
*Whole Time Director*

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

Place: Mumbai  
Dated: 2nd May 2016

**Sunil Mehta**  
*CFO*

**Disha Shah**  
*Company Secretary*

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### 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 BSE Limited.

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.

### Note 2: Notes to accounts for the year ended 31st March 2016

#### 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 section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014. 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 capitalisation 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 Tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. The useful lives for the fixed assets prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Assets	Useful Life
Office Premises	60 years
Information Technology Equipment	3 years
Servers & Networks	6 years
Vehicles	8 years
Office Equipment	5 years
Furniture and Fixture	10 years

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### 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 capitalised 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 recognised as finance cost in the Statement of Profit and Loss. Lease management fees, legal charges, and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight line basis over the useful life of the asset as prescribed under Part C of Schedule II of the Companies Act, 2013.

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 recognised 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, amortisation 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 capitalised 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 recognised 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 recognised 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 recognised 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 recognised on a time proportion basis taking into account 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 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 and 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 amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised 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 recognised as income or as expense for the year.

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### 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 realisable 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. Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The areas of CSR activity differ from what is stated here. To consider the activities carried such as Promoting education, healthcare and livelihood. The funds were spent on these activities which are specified in Schedule VII of the Companies Act, 2013.

The Company has incurred Rs.36.79 Lacs towards Corporate Social Responsibility activities. It is included under the head miscellaneous expenses in the Statement of Profit and Loss. Further, no amount has been spent on construction/acquisition of an assets of the Company.

The amount required to be spent under section 135 of the Companies Act, 2013 for the Financial year 2015-16 is Rs.31.47 Lacs, i.e 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

### m. 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 recognised directly in equity is recognised 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 recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

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

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

will be available against which such deferred tax assets can be realised. 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 recognises 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 recognises 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 recognised 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 recognised impairment loss if any is further provided or reversed depending on changes in circumstances.

p. The Company has given a loan of Rs.105.00 Lacs (Previous year Rs.200.00 Lacs) to M/s.Ajcon Finance Ltd. The loan is included under the head Loans and Advances to others in the Balance Sheet. Interest on the Loan is @ 12% p.a.

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

r. 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.

s. Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2016 is RS.21,700.01 Lacs (Previous year Rs.27,798.69 Lacs).

t. Expenditure in Foreign Currency: (Rs.in Lacs)	(Current period)	(Previous Year)
Traveling	Rs. 13.88	Rs.13.16
Mercantile Trade Purchase	Rs. 9,435.74	Rs.12,627.19
u. Earning in Foreign Currency: (Rs.in Lacs)		
Mercantile Trade Sale	Rs. 9,521.26	Rs.12,747.01

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### v. 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	Nephew 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) Compuage Infocom (S) Pte. Ltd.

Transactions with related parties: (Rs. in Lacs)

Particulars	Current Year	Previous Year
<b>Interest Paid to:</b>		
Atul H. Mehta	9.13	7.28
Bhavesh H. Mehta	25.40	25.94
Ajay H. Mehta	-	8.40
Falguni A. Mehta	-	0.92
Manisha A. Mehta	-	2.27
Forum B. Mehta	-	3.16
Karishma A. Mehta	-	1.80
Vanita H. Mehta	-	5.16
Yash A. Mehta	-	2.80
Aditya A. Mehta	-	0.51
Raahil B. Mehta	-	0.01
Ajay H. Mehta HUF	-	0.53
Atul H. Mehta HUF	-	0.01
H. T. Mehta HUF	-	1.42

**Summary of Significant Accounting Policies to Financial Statements** for the year ended 31st March 2016

Particulars	Current Year	Previous Year
<b>Remuneration Paid to:</b>		
Atul H. Mehta	120.00	120.00
Bhavesh H. Mehta	120.00	120.00
Manisha Mehta	-	-
<b>Incentive Paid to :</b>		
Compuage Infocom (S) Pte. Ltd.	-	-
<b>Sales of Goods to:</b>		
Compuage Infocom (S) Pte. Ltd.	823.25	3,665.79
<b>Purchase of Goods from :</b>		
Compuage Infocom (S) Pte. Ltd.	-	1.07
<b>Corporate Guaranty Given to:</b>		
Compuage Infocom (S) Pte. Ltd.	331.85	312.50
<b>Dividend Received from :</b>		
Compuage Infocom (S) Pte. Ltd.	163.97	10.85
<b>Others:</b>		
<b>Outstanding receivables:</b>		
Compuage Infocom (S) Pte. Ltd.	-	10.85
Trillizo Holdings Limited	138.00	138.00
<b>Outstanding payables:</b>		
Atul H. Mehta	1223.66	727.25
Bhavesh H. Mehta	1103.39	723.10
Compuage Infocom (S) Pte. Ltd.	94.16	225.00

**w. 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.

**x. 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.

**y. 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 Amortisation (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 amortisation expenses, finance cost and tax expenses.



## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### z. 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 recognised 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 recognised because it cannot be measured reliably.

	(Rs. in Lacs)	
	31st March 2016	31st March 2015
Guarantees given by the Banks on behalf of the Company	7206.51	5742.18
Corporate Guarantee given on behalf of Subsidiary	331.85	312.50
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.)	634.20	397.61

As per our report of even dated attached

FOR **B.V. DALAL & CO.**  
Firm Reg. No.: 114214W  
Chartered Accountants

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

**Manori Shah**  
Partner  
Membership No. : 104640

**G.S. Ganesh**  
Director

**Bhavesh H. Mehta**  
Whole Time Director

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

Place: Mumbai  
Dated: 2nd May 2016

**Sunil Mehta**  
CFO

**Disha Shah**  
Company Secretary

**Notes to Financial Statements** for the year ended 31st March 2016**Note 3 : Share Capital**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>AUTHORISED</b>		
19254000 Equity shares of Rs.10/- each	1,925.40	1,925.40
4665600 Preference shares of Rs.0.10 (Ten paise) each	4.67	4.67
3369344 Preference shares of Rs.10/- each	336.93	336.93
	<b>2,267.00</b>	<b>2,267.00</b>
<b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP</b>		
11747999 Equity shares of Rs.10/- each fully paid. (Previous year : 6655000 Equity shares of Rs.10/- each fully paid)	1,174.80	665.50
<b>Total</b>	<b>1,174.80</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 2016		31st March 2015	
	No. in Lacs	Rs.In Lacs	No. in Lacs	Rs.In Lacs
<b>At the beginning of the period</b>	66.55	665.50	66.55	665.50
Add : Bonus Shares issued	39.93	399.30	-	-
Add : Preferential Allotment	11.00	110.00	-	-
<b>Outstanding at the end of the period</b>	<b>117.48</b>	<b>1,174.80</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 Rs. 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,2016, the amount of per share final dividend proposed as distribution to the equity shareholders is Rs. 2/- (31st March 2015 : Rs. 2/-)

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:**

Equity shares of Rs.10/- each fully paid up	31st March 2016		31st March 2015	
	No. of Shares (In Lacs)	% of holding	No. of Shares (In Lacs)	% of holding
ATUL HARKISHANDAS MEHTA	28.49	24.25%	17.80	26.75%
BHAVESH HARKISHANDAS MEHTA	28.49	24.25%	17.80	26.75%
AJAY HARKISHANDAS MEHTA	15.25	12.98%	9.53	14.32%
KITARA INDIA MICRO CAP GROWTH FUND	11.00	9.36%	-	-

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.

**Notes to Financial Statements** for the year ended 31st March 2016

**Note 4 : Reserve & Surplus**

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
1	Capital Reserve	134.84	134.84
2	Capital Redemption Reserve	129.72	129.72
3	Share Premium	2,109.85	1,219.95
4	General Reserve	35.38	102.00
	Less: Reduction in WDV of assets.	-	(66.62)
		35.38	35.38
5	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance as per last Financial Statements	5,837.43	4,828.57
	Add: Profit for the year	1,402.08	1,168.57
	Less: Appropriations:		
	Bonus Shares Issued	(399.30)	-
	Dividend for Financial year 2014-2015	(101.86)	-
	Dividend Tax for Financial year 2014-2015	(21.24)	-
	Proposed final equity dividend - Rs.2/- share (31st March 2015: Rs. 2/-)	(234.96)	(133.10)
	Tax on proposed final equity dividend	(47.83)	(26.61)
		6,434.32	5,837.43
	<b>Total (1+2+3+4+5)</b>	<b>8,844.11</b>	<b>7,357.32</b>

**Note : 5 Long Term Borrowings**

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
	<b>Term Loans</b>		
	Indian rupee loan from Bank (Secured)	-	97.46
	<b>Total</b>	<b>-</b>	<b>97.46</b>

Indian rupee loan from bank carries interest @ 12.40% 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.

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

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
1	Difference in Book & Income Tax Depreciation Under IT Act 1961	740.34	789.50
2	Total Timing Difference	740.34	789.50
	<b>Total</b>	<b>244.78</b>	<b>268.35</b>

**Notes to Financial Statements** for the year ended 31st March 2016**Note : 7 Short Term Borrowings**

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
1	Cash Credit from bank (secured)-net of debit balances	16,708.85	15,315.23
2	Loans & Advances From Related Parties Repayable on Demand (Unsecured)	2,327.05	1,450.35
3	Loans & Advances From Others Repayable on Demand (Unsecured)	8,823.70	4,937.69
	<b>Total</b>	<b>27,859.60</b>	<b>21,703.27</b>

Cash Credit from banks is secured against hypothecation of Stocks & Book Debts.

The Cash Credit is repayable on demand and carries interest @ 11% to 12% .

**Note : 8 Trades Payable**

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
1	Dues to Micro, Small & Medium Enterprises	-	-
2	Others - Net	26,217.34	22,024.99
	<b>Total</b>	<b>26,217.34</b>	<b>22,024.99</b>

**Note : 9 Other Current Liabilities**

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
1	Current maturities of Long Term Debt	96.73	414.96
2	Advance from Subsidiary Company	94.16	225.00
3	<b>Others</b>		
	TDS Payable	1,266.69	76.64
	Unpaid Dividend	13.91	10.35
	Other Payable-Unsecured	1,338.06	1,248.47
	<b>Total</b>	<b>2,809.55</b>	<b>1,975.42</b>

**Note : 10 Short term provisions**

(Rs. in Lacs)

Sr. No	Particulars	31st March 2016	31st March 2015
1	Provision for Income Tax(Net of Advance Tax paid)	86.58	13.83
2	Provision for Gratuity	7.50	7.16
3	Proposed Equity Dividend	234.96	133.10
4	Provision for tax on proposed Equity Dividend	47.83	26.61
	<b>Total</b>	<b>376.87</b>	<b>180.70</b>



**Notes to Financial Statements** for the year ended 31st March 2016

**Note : 11 Tangible/Intangible Assets**

(Rs. in Lacs)

Particulars	Gross Block			Depreciation			Net Block			
	Value at the beginning	Addition during the year	Disposals during the year	Value at the end	Value at the beginning	Charged during the year	Transferred to general reserves	Value at the end	WDV as on 31.03.2016	WDV as on 31.03.2015
<b>Tangible Assets</b>										
Office Premises	2,341.98	-	-	2,341.98	119.88	39.68	-	159.56	2,182.42	2,222.10
Information Technology Equipments	1,422.13	38.15	-	1,460.28	1,114.51	157.86	-	1,272.37	187.91	307.62
Vehicles	84.38	-	-	84.38	43.82	8.23	-	52.05	32.33	40.56
Office Equipment	404.99	40.12	-	445.11	186.02	122.04	-	308.06	137.05	218.97
Furniture & Fixture	1,233.09	39.89	-	1,272.98	323.41	121.28	-	444.69	828.29	909.68
<b>Total</b>	<b>5,486.57</b>	<b>118.16</b>	<b>-</b>	<b>5,604.73</b>	<b>1,787.64</b>	<b>449.09</b>	<b>-</b>	<b>2,236.73</b>	<b>3,368.00</b>	<b>3,698.93</b>
<b>Previous Year</b>	<b>5,359.83</b>	<b>126.74</b>	<b>-</b>	<b>5,486.57</b>	<b>1,249.70</b>	<b>471.32</b>	<b>66.62</b>	<b>1,787.64</b>	<b>3,698.93</b>	<b>4,110.13</b>

**Notes to Financial Statements** for the year ended 31st March 2016**Note : 12 Non Current Investment**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Non-Trade Investments(Unquoted)</b>		
<b>Investment in Equity Instrument</b>		
115416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of Rs. 30/- each	34.62	34.62
<b>Trade Investments(Unquoted)</b>		
<b>Investments in Subsidiaries</b>		
1,50,000 Ordinary Shares of Compuage Infocom Pte.Ltd-Singapore	66.37	62.50
<b>Total</b>	<b>100.99</b>	<b>97.12</b>

**Note : 13 Other Non Current Assets**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Non-Current Bank Balances (Secured)	52.20	1.83
<b>Total</b>	<b>52.20</b>	<b>1.83</b>

**Note : 14 Current Investments**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
2,50,408.189 Units of Birla Sun Life Cash Manager-Weekly Dividend Mutual Fund	251.53	-
<b>Total</b>	<b>251.53</b>	<b>-</b>

**Note : 15 Inventories**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Stock-in-Trade (Valued at lower of cost and net realisable value)	25,430.42	20,022.57
(As taken, valued and certified by a Director)		
<b>Total</b>	<b>25,430.42</b>	<b>20,022.57</b>

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Details of Stock-in-trade</b>		
Computer Components	22,252.46	17,517.19
Computer Softwares	1,858.57	777.14
Telecom Products	1,319.40	1,728.24
<b>Total</b>	<b>25,430.42</b>	<b>20,022.57</b>

**Note : 16 Trade Recievables**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<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 (Net)	580.43	207.47
<b>Others</b>		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good (Net)	25,956.67	23,564.75
<b>Total</b>	<b>26,537.10</b>	<b>23,772.22</b>

## Notes to Financial Statements for the year ended 31st March 2016

### Note : 17 Cash & Bank balances

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
On Current Accounts	1,528.77	230.92
In Unpaid Dividend Account	13.91	10.35
Cash on Hand	13.87	14.92
Cheque on Hand	580.00	840.00
Deposits with original maturity less than 3 months	900.00	18.50
<b>Sub Total(1)</b>	<b>3,036.55</b>	<b>1,114.69</b>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 months	350.18	83.18
Deposits with original maturity for more than 3 months but less than 12 months	5,496.92	2,729.96
<b>Sub Total(2)</b>	<b>5,847.10</b>	<b>2,813.14</b>
<b>Amount disclosed under Non-Current Assets</b>	<b>(52.20)</b>	<b>(1.83)</b>
<b>Total [ 1+2 ]</b>	<b>8,831.45</b>	<b>3,926.00</b>

### Note : 18 Short Terms Loans and Advances

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Advances recoverable in cash or kind</b>		
Loans and Advances to Others (Unsecured considered good)	1,155.29	1,252.61
<b>Others</b>		
Loans and Advance to Employees	89.24	80.78
Unjust Enrichment	86.15	86.15
SAD /VAT/Service Tax Receivable	1,402.55	1,194.83
<b>Total</b>	<b>2,733.23</b>	<b>2,614.37</b>

### Note :19 Other Current Assets

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Accruals</b>		
(i) Interest accrued on Deposits	222.13	129.12
(ii) Dividend	-	10.85
<b>Total</b>	<b>222.13</b>	<b>139.97</b>



**Notes to Financial Statements** for the year ended 31st March 2016**Note : 20 Revenue from Operations**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Sales of products</b>		
Traded Goods	2,67,203.11	2,12,583.17
Sale of Services	669.74	303.23
Sale of Scrap	-	2.50
<b>Total</b>	<b>2,67,872.85</b>	<b>2,12,888.90</b>

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Details of Product Sold</b>		
<b>Traded goods sold</b>		
Computer Components	1,97,535.10	1,51,718.34
Computer Softwares	29,957.51	25,917.13
Telecom Products	39,710.50	34,947.70
<b>Total</b>	<b>2,67,203.11</b>	<b>2,12,583.17</b>
<b>Details of Service rendered</b>		
(i) Product Support Services	669.74	303.23
<b>Total</b>	<b>669.74</b>	<b>303.23</b>

**Note : 21 Other Income**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Interest income on		
Bank Deposits	391.80	345.71
Others	521.02	641.83
Interest on IT Refund	42.52	0.08
Dividend Income	172.89	10.85
<b>Total</b>	<b>1,128.23</b>	<b>998.47</b>

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

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Computer Components	1,93,841.93	1,49,052.30
Computer Softwares	30,884.73	24,713.68
Telecom Products	38,295.66	29,211.83
<b>Total</b>	<b>2,63,022.31</b>	<b>2,02,977.81</b>

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

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Inventories at the end of the year		
Traded goods	25,430.42	20,022.57
Inventories at the beginning of the year		
Traded goods	20,022.57	20,309.15
<b>Total</b>	<b>(5407.85)</b>	<b>286.58</b>

## Notes to Financial Statements for the year ended 31st March 2016

### Note : 24 Employee Benefits Expense

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Salaries & Bonus	2,233.23	2,070.44
Contribution to Provident and Other Fund	50.69	37.87
Gratuity	7.48	6.49
Staff Welfare	123.49	84.24
<b>Total</b>	<b>2,414.89</b>	<b>2,199.04</b>

### Note : 25 Other Expenses

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Rent and Compensation	603.98	584.33
Power & Fuel	69.48	75.57
Insurance	121.54	67.97
Payment to Auditor- (Refer details below)	15.75	11.50
Rates & Taxes	52.44	102.36
Foreign Exchange Loss(Net)	547.23	403.18
Miscellaneous Expenses	1,558.67	1,706.15
<b>Total</b>	<b>2,969.09</b>	<b>2,951.06</b>

### Payment to Auditor

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Audit Fees	9.25	5.00
Taxation Matters	4.00	4.00
Other Services	2.50	2.50
<b>Total</b>	<b>15.75</b>	<b>11.50</b>

### Note : 26 Financial Cost

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Interest	3,425.91	3,253.37
<b>Total</b>	<b>3,425.91</b>	<b>3,253.37</b>

### Note : 27 Depreciation & Amortised Cost

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Depreciation on Tangible Assets	449.09	471.32
<b>Total</b>	<b>449.09</b>	<b>471.32</b>

## 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 Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2016, 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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required

to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(1) of the Act. 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, 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 on the Consolidated Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2016;
- 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.



### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that :

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as appears from our examination of those books;
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) in our opinion the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March 2016, and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group Company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director, in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in Annexure A; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- (i) the Consolidated Financial Statements disclose the impact on pending litigations on its financial position in its Financial Statements – Refer Note 2 (aa) to the Consolidated Financial Statements;
- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

**Sd/-**  
**Manori Shah**  
*Partner*

Mumbai,  
May 2, 2016

Membership No. 104640

## Annexure A to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Holding Company").

#### Management's responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

#### Inherent limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-  
**Manori Shah**

Partner

Membership No. 104640

Mumbai,  
May 2, 2016

## Consolidated Balance Sheet as at 31st March 2016

(Rs. in Lacs)

Particulars	Note No.	31st March 2016	31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	1,174.80	665.50
(b) Reserves and Surplus	4	8,911.27	7,357.32
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	-	97.46
(b) Deferred Tax Liabilities (Net)	6	244.78	268.35
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	29,296.67	24,097.04
(b) Trade Payables	8	26,316.90	22,957.98
(c) Other Current Liabilities	9	2,720.88	1,809.79
(d) Short Term Provisions	10	390.87	193.55
<b>Total Equity &amp; Liabilities</b>		<b>69,056.17</b>	<b>57,446.99</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	3,372.98	3,702.39
(b) Non-Current Investments	12	34.62	34.62
(c) Long Term Loans and Advances	13	-	5.88
(d) Other Non-Current Assets	14	52.20	1.83
<b>(2) Current Assets</b>			
(a) Current Investments	15	251.53	-
(b) Inventories	16	25,430.42	20,867.69
(c) Trade Receivables	17	27,051.46	24,765.37
(d) Cash and Bank Balances	18	9,493.88	4,109.23
(e) Short-Term Loans and Advances	19	3,146.95	3,820.01
(f) Other Current Assets	20	222.13	139.97
<b>Total Assets</b>		<b>69,056.17</b>	<b>57,446.99</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  
of Compuage Infocom Limited

**Manori Shah**

Partner

Membership No. : 104640

**G.S. Ganesh**

Director

**Bhavesh H. Mehta**

Whole Time Director

**Atul H. Mehta**

Chairman & Managing Director

Place: Mumbai

Dated: 2nd May 2016

**Sunil Mehta**

CFO

**Disha Shah**

Company Secretary

**Consolidated Statement of Profit and Loss** for the year ended 31st March 2016

(Rs. in Lacs)

Particulars	Note No.	31st March 2016	31st March 2015
I Revenue from Operations	21	3,10,729.79	2,37,882.52
II Other Income	22	970.44	1,006.44
<b>III Total Revenue (I +II)</b>		<b>3,11,700.23</b>	<b>2,38,888.96</b>
IV Expenses:			
Purchase of Stock-in-Trade	23	3,04,437.95	2,28,088.35
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(4,562.73)	(310.23)
Employee Benefits Expense	25	2,594.28	2,357.55
Other Expenses	26	3,123.96	3,227.94
<b>Total Expenses (IV)</b>		<b>3,05,593.46</b>	<b>2,33,363.61</b>
<b>V Earnings before Interest,Tax,Depreciation and Amortisation (EBITDA)</b>	<b>(III - IV)</b>	<b>6,106.77</b>	<b>5,525.35</b>
Finance Costs	27	3,428.87	3,260.18
Depreciation	28	450.23	473.60
<b>Profit Before Tax</b>		<b>2,227.67</b>	<b>1,791.57</b>
VI Tax expense:			
(1) Current Tax		751.54	586.73
(2) Deferred Tax		(23.57)	(5.38)
(3) Earlier years		9.13	-
<b>VII Profit/(Loss) for the period from continuing operations</b>	<b>(V-VI)</b>	<b>1,490.57</b>	<b>1,210.22</b>
VIII Earning per equity share:			
(1) Basic		12.69	18.20
(2) Diluted		12.69	18.20

The accompanying notes are an integral part of the Financial Statements.  
This is the Statement of Profit and Loss 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  
of Compuage Infocom Limited

Manori Shah  
Partner  
Membership No. : 104640

G.S. Ganesh  
Director

Bhavesh H. Mehta  
Whole Time Director

Atul H. Mehta  
Chairman & Managing Director

Place: Mumbai  
Dated: 2nd May 2016

Sunil Mehta  
CFO

Disha Shah  
Company Secretary



## Consolidated Cash Flow Statement for the year ended 31st March 2016

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>A. Net Profit Before Tax &amp; Extraordinary items</b>		
Adjustment for:	2,227.67	1,791.57
Depreciation		
Unrealised Foreign Exchange Gain	450.23	473.60
Interest Paid	(21.58)	(0.11)
Interest Received	3,428.87	3,260.18
Dividend Income	(914.23)	(989.90)
<b>Operating Profit before Working Capital changes</b>	<b>(8.92)</b>	<b>-</b>
Increase /(Decrease) in Trade Payables	5,162.04	4,535.34
Increase /(Decrease) in Other Current Liabilities	3,358.92	75.05
Increase /(Decrease) in Short Term Provisions	813.63	(227.93)
Decrease/(Increase) in Inventories	197.32	(101.09)
Decrease/(Increase) in Trade Receivables	(4,562.73)	(310.23)
Decrease/(Increase) in Short Term Loans & Advances	(2,286.09)	(1,861.96)
Decrease/(Increase) in Other Current Assets	673.06	(1,045.35)
Decrease/(Increase) in Long Term Loans & Advances	(82.16)	(25.13)
Total	5.88	4.97
Income Tax	(1,882.17)	(3,491.67)
Net Cash Inflow/(Outflow) from Operating Activities.....	(760.67)	(586.73)
<b>Net Cash Inflow/(Outflow) From Operating Activities.....</b>	<b>2,519.20</b>	<b>456.94</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(120.57)	(127.90)
Interest Received	914.23	989.90
Dividend Income	8.92	-
Sale/(Purchase )of Current Investments	(251.53)	-
Sale/(Purchase )of Non-Current Investments	-	(20.62)
<b>Net Cash Inflow/(Outflow) from Investing Activities.....</b>	<b>551.05</b>	<b>841.38</b>

**Consolidated Cash Flow Statement** (contd.) for the year ended 31st March 2016

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	5,199.63	1,789.63
Issue of Shares (including premium)	999.90	-
Interest Paid	(3,428.87)	(3,260.18)
Dividend & Dividend Tax Paid	(405.89)	(159.71)
<b>Net Cash Inflow/(Outflow) from Financing Activities.....</b>	<b>2,364.77</b>	<b>(1,630.26)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents.....	<b>5,435.02</b>	<b>(331.94)</b>
Cash and Cash Equivalents as at beginning of the year	4,111.06	4,443.00
Cash and Cash Equivalents as at end of the year	9,546.08	4,111.06
	<b>5,435.02</b>	<b>(331.94)</b>

We have examined the above Cash Flow Statement of Compuage Infocom Limited for the year ended March 31, 2016

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  
of Compuage Infocom Limited

**Manori Shah**  
Partner  
Membership No. : 104640

**G.S. Ganesh**  
Director

**Bhavesh H. Mehta**  
Whole Time Director

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

Place: Mumbai  
Dated: 2nd May 2016

**Sunil Mehta**  
CFO

**Disha Shah**  
Company Secretary

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### 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 BSE Limited.

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.

### Note 2: Notes to accounts for the year ended 31st March 2016

#### 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, 2014. The Consolidated Financial Statements comprise the Financial Statements of Compuage Infocom Limited (The Company) and its subsidiary. The Company and its subsidiary constitute the Compuage Group. Reference in these notes to the "Company" or Compuage shall mean to include Compuage Infocom Ltd. and its subsidiary Consolidated in these Financial Statements unless otherwise stated. The details of the Subsidiary Company which has been included in consolidation and the parent company's holding is as under:

	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 section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The Financial Statements of the Company and its Subsidiary Company 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 unrealised profits or unrealised 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 Company over the Company's portion of equity of the Subsidiary at the date of investment made is recognised in the Financial Statements 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.

##### 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.

##### 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 capitalisation 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.

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### e. Depreciation on Tangible Fixed Assets:

Depreciation on Tangible assets is provided on the Straight-Line Method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. The useful lives for the fixed assets prescribed under Part C of Schedule II of the Companies Act, 2013 are as follows:

Assets	Useful Life
Office Premises	60 years
Information Technology Equipment	3 years
Servers & Networks	6 years
Vehicles	8 years
Office Equipment	5 years
Furniture and Fixture	10 years

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 Useful lives 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 capitalised 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 recognised as finance cost in the Statement of Profit and Loss. Lease management fees, Legal charges, and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a Straight Line Basis at the rates prescribed under part C of Schedule II of the Companies Act, 2013.

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 recognised 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, amortisation 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 capitalised 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 recognised 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 recognised 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 recognised 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.

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### Interest:

Interest income is recognised on a time proportion basis taking into account 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 and 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:

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

(ii) 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. Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The areas of CSR activity differ from what is stated here. To consider the activities carried such as Promoting education, healthcare and livelihood. The funds were spent on these activities which are specified in Schedule VII of the Companies Act, 2013.

The Company has incurred Rs.36.79 Lacs towards Corporate Social Responsibility activities. It is included under the head miscellaneous expenses in the Statement of Profit and Loss. Further, no amount has been spent on construction/acquisition of an assets of the Company.

The amount required to be spent under section 135 of the Companies Act, 2013 for the Financial year 2015-16 is Rs. 36.35 Lacs, i.e 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

### n. 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 recognised directly in equity is recognised 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 recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

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 realised. 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 recognises 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 recognises 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.

### o. 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.

### p. 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 recognised 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 recognised impairment loss, if any is further provided or reversed depending on changes in circumstances.

q. The Company has given a loan of Rs.105.00 Lacs (Previous Year Rs.200.00 Lacs) to M/s.Ajcon Finance Ltd. The loan is included under the head Loans and Advances to others in the Balance Sheet. Interest rate on the loan is @ 12% p.a.

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

s. 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.

t. Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2016 is RS. 21,700.01 Lacs (Previous year Rs. 27,798.69 Lacs).

u. Expenditure in Foreign currency: (Rs. in Lacs)	(Current period)	(Previous Year)
Traveling	Rs. 13.88	Rs.13.16
Mercantile Trade Purchase	Rs. 9,435.74	Rs.12,627.19
v. Earning in Foreign currency: (Rs. in Lacs)		
Mercantile Trade Sale	Rs. 9,521.26	Rs.12,747.01

## Summary of Significant Accounting Policies to Financial Statements for the year ended 31st March 2016

### W. 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	Newpneuh 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.	Bhavesn H. Mehta	Whole time Director
7.	Falguni A. Mehta	Wife of Atul A. Mehta
8.	Forum B. Mehta	Wife of Bhavesn 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 Bhavesn 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

Transactions with related parties:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
<b>Interest Paid to:</b>		
Atul H. Mehta	9.13	7.28
Bhavesn H. Mehta	25.40	25.94
Ajay H. Mehta	-	8.40
Falguni A. Mehta	-	0.92
Manish A. Mehta	-	2.27
Forum B. Mehta	-	3.16
Karishma A. Mehta	-	1.80
Vanita H. Mehta	-	5.16
Yash A. Mehta	-	2.80
Aditya A. Mehta	-	0.51
Raahil B. Mehta	-	0.01
Ajay H. Mehta HUF	-	0.53
Atul H. Mehta HUF	-	0.01
H. T. Mehta HUF	-	1.42
<b>Remuneration Paid to:</b>		
Atul H. Mehta	120.00	120.00
Bhavesn H. Mehta	120.00	120.00
Manisha Mehta	-	-
<b>Outstanding receivables:</b>		
Trillizo Holdings Limited	138.00	138.00
<b>Outstanding payables:</b>		
Atul H. Mehta	1223.66	727.25
Bhavesn H. Mehta	1103.39	723.10

**Summary of Significant Accounting Policies to Financial Statements** for the year ended 31st March 2016**x. 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.

**y. 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, wherever applicable) 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.

**z. 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 amortisation (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 amortisation expenses, finance cost and tax expenses.

**aa. 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 recognised 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 recognised because it cannot be measured reliably.

	(Rs. in Lacs)	
	31st March 2016	31st March 2015
Guarantees given by the Banks on behalf of the Company	7206.51	5742.18
Corporate Guarantee given on behalf of Subsidiary	331.85	312.50
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.)	634.20	397.61

As per our report of even dated attached

FOR **B.V. DALAL & CO.**  
Firm Reg. No.: 114214W  
*Chartered Accountants*

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

**Manori Shah**  
*Partner*  
Membership No. : 104640

**G.S. Ganesh**  
*Director*

**Bhavesh H. Mehta**  
*Whole Time Director*

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

Place: Mumbai  
Dated: 2nd May 2016

**Sunil Mehta**  
*CFO*

**Disha Shah**  
*Company Secretary*



## Notes to Financial Statements for the year ended 31st March 2016

### Note 3 : Share Capital

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Authorised</b>		
19254000 Equity shares of Rs.10/- each	1,925.40	1,925.40
4665600 Preference shares of Rs.0.10 (Ten paise) each	4.67	4.67
3369344 Preference shares of Rs.10/- each	336.93	336.93
	<b>2,267.00</b>	<b>2,267.00</b>
<b>ISSUED , SUBSCRIBED &amp; FULLY PAID UP</b>		
11747999 Equity shares of Rs.10/- each fully paid.	1,174.80	665.50
(Previous year : 6655000 Equity shares of Rs.10/- each fully paid)		
<b>Total</b>	<b>1,174.80</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 2016		31st March 2015	
	No. in Lacs	Rs.In Lacs	No. in Lacs	Rs.In Lacs
<b>At the beginning of the Period</b>	66.55	665.50	66.55	665.50
Add : Bonus Shares issued	39.93	399.30	-	-
Add : Preferential Allotment	11.00	110.00	-	-
<b>Outstanding at the end of the period</b>	<b>117.48</b>	<b>1,174.80</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 Rs. 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, 2016, the amount of per share final dividend proposed as distribution to the equity shareholders is Rs.2/- (31st March 2015 : Rs. 2/-)

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:

Equity shares of Rs.10/- each fully paid up	31st March 2016		31st March 2015	
	No. of Shares (In Lacs)	% of holding	No. of Shares (In Lacs)	% of holding
ATUL HARKISHANDAS MEHTA	28.49	24.25%	17.80	26.75%
BHAVESH HARKISHANDAS MEHTA	28.49	24.25%	17.80	26.75%
AJAY HARKISHANDAS MEHTA	15.25	12.98%	9.53	14.32%
KITARA INDIA MICRO CAP GROWTH FUND	11.00	9.36%	-	-

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.

**Notes to Financial Statements** for the year ended 31st March 2016**Note 4 : Reserve & Surplus**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>1 Capital Reserve</b>	134.84	134.84
<b>2 Capital Redemption Reserve</b>	129.72	129.72
<b>3 Share Premium</b>	2,109.85	1,219.95
<b>4 General Reserve</b>	35.38	102.00
Less: Reduction in WDV of assets	-	(66.62)
	35.38	35.38
<b>5 Foreign currency translation Reserve</b>		
Balance as per last Financial Statements	(7.90)	(7.93)
Add: Profit/(Loss) for the year	(21.33)	0.03
	(29.23)	(7.90)
<b>6 Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last Financial Statements	5,845.33	4,794.82
Add: Profit for the year	1,490.57	1,210.22
Less: Appropriations :		
Bonus Share Issued	(399.30)	-
Dividend for Financial year 2014-2015	(101.86)	-
Dividend Tax for Financial year 2014-2015	(21.24)	-
Proposed final equity dividend - Rs.2/- share (31st March 2015: Rs.2/-)	(234.96)	(133.10)
Tax on proposed final equity dividend	(47.83)	(26.61)
	6,530.71	5,845.33
<b>Total (1+2+3+4+5+6)</b>	<b>8,911.27</b>	<b>7,357.32</b>

**Note : 5 Long Term Borrowings**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Term Loans		
Indian rupee loan from Bank (Secured)	-	97.46
<b>Total</b>	<b>-</b>	<b>97.46</b>

Indian rupee loan from bank carries interest @ 12.40% 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.

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

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Difference in Book & Income Tax Depreciation Under IT Act, 1961	740.34	789.50
Loss Carried forward under IT Act, 1961		
Total Timing Difference	740.34	789.50
<b>Total</b>	<b>244.78</b>	<b>268.35</b>

**Notes to Financial Statements** for the year ended 31st March 2016

**Note : 7 Short Term Borrowings**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Cash Credit from bank (secured)-net of debit balances	16,708.85	15,457.88
Loans & Advances From Related Parties Repayable on Demand (Unsecured)	2,327.05	1,450.35
Loans & Advances From Others Repayable on Demand (Unsecured)	10,260.77	7,188.81
<b>Total</b>	<b>29,296.67</b>	<b>24,097.04</b>

Cash credit from banks is secured against hypothecation of Stocks & Book Debts.

The cash credit is repayable on demand and carries interest @ 11% to 12%.

**Note : 8 Trades Payable**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Dues to Micro, Small & Medium Enterprises	-	-
Others(Net of Advances)	26,316.90	22,957.98
<b>Total</b>	<b>26,316.90</b>	<b>22,957.98</b>

**Note : 9 Other Current Liabilities**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Current maturities of Long Term Debt	96.73	414.96
<b>Others</b>		
TDS payable	1,266.69	76.64
Unpaid Dividend	13.91	10.35
Other payable (Unsecured)	1,343.55	1,307.84
<b>Total</b>	<b>2,720.88</b>	<b>1,809.79</b>

**Note : 10 Short Term Provisions**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Provision for Income Tax(Net of Advance Tax paid)	100.58	15.83
Provision for Gratuity	7.50	7.16
Proposed Equity Dividend	234.96	143.95
Provision for Tax on proposed Equity Dividend	47.83	26.61
<b>Total</b>	<b>390.87</b>	<b>193.55</b>

**Notes to Financial Statements** for the year ended 31st March 2016

**Note : 11 Tangible/Intangible Assets**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation			Net Block				
	Value at the beginning	Addition during the year	Disposals during the year	Foreign exchange fluctuation	Value at the end	Value at the beginning	Charged during the year	Transferred to general reserves	Foreign exchange fluctuation	Value at the end	WDV as on 31.03.2016	WDV as on 31.03.2015
<b>Tangible Assets</b>												
Office Premises	2,341.98	-	-	-	2,341.98	119.88	39.68	-	-	159.56	2,182.42	2,222.10
Information Technology Equipments	1,427.54	38.15	-	0.33	1,466.02	1,118.07	158.32	-	0.23	1,276.62	189.40	309.47
Vehicles	84.38	-	-	-	84.38	43.82	8.23	-	-	52.05	32.33	40.56
Office Equipment	410.26	42.53	-	0.40	453.19	190.15	122.43	-	0.27	312.85	140.34	220.11
Furniture & Fixture	1,246.85	39.89	-	0.85	1,287.59	336.70	121.57	-	0.83	459.10	828.49	910.15
<b>Total</b>	<b>5,511.01</b>	<b>120.57</b>	<b>-</b>	<b>1.58</b>	<b>5,633.16</b>	<b>1,808.62</b>	<b>450.23</b>	<b>-</b>	<b>1.33</b>	<b>2,260.18</b>	<b>3,372.98</b>	<b>3,702.39</b>
Previous Year	5,382.14	127.90	-	0.97	5,511.01	1,267.57	473.60	66.62	0.83	1,808.62	3,702.39	4,114.57

## Notes to Financial Statements for the year ended 31st March 2016

### Note : 12 Non Current Investment

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Non-Trade Investments(Unquoted)		
Investment in Equity Instrument		
115416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of Rs.30/- each.	34.62	34.62
<b>Total</b>	<b>34.62</b>	<b>34.62</b>

### Note : 13 Long Term Loans and Advances

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Security Deposit		
a) Usecured Considered Good	-	5.88
<b>Total</b>	<b>-</b>	<b>5.88</b>

### Note : 14 Other Non Current Assets

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Non-Current Bank Balances (Secured)	52.20	1.83
<b>Total</b>	<b>52.20</b>	<b>1.83</b>

### Note : 15 Current Investments

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
2,50,408.189 Units of Birla Sun Life Cash Manager-Weekly Dividend Mutual Fund	251.53	-
<b>Total</b>	<b>251.53</b>	<b>-</b>

### Note : 16 Inventories

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Stock-in-Trade (Valued at lower of cost and Net realisable value)	25,430.42	20,867.69
(As taken, valued and certified by a Director)		
<b>Total</b>	<b>25,430.42</b>	<b>20,867.69</b>

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Details of Stock-in-trade</b>		
Computer Components	22,252.46	18,362.31
Computer Softwares	1,858.57	777.14
Telecom Products	1,319.40	1,728.24
<b>Total</b>	<b>25,430.42</b>	<b>20,867.69</b>

**Notes to Financial Statements** for the year ended 31st March 2016**Note : 17 Trade Receivables**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<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 (Net)	580.43	207.47
<b>Others</b>		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good (Net)	26,471.03	24,557.90
<b>Total</b>	<b>27,051.46</b>	<b>24,765.37</b>

**Note : 18 Cash & Bank balances**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
On Current Accounts	2,086.55	316.56
In Unpaid Dividend Account	13.91	10.35
Cash on Hand	14.49	15.09
Cheque on Hand	580.00	840.00
Deposits with original maturity less than 3 months	900.00	18.50
<b>Sub Total(1)</b>	<b>3,594.95</b>	<b>1,200.50</b>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 months	350.18	83.18
Deposits with original maturity for more than 3 months but less than 12 months	5,600.95	2,827.38
<b>Sub Total(2)</b>	<b>5,951.13</b>	<b>2,910.56</b>
<b>Amount disclosed under Non-Current Assets</b>	<b>-52.20</b>	<b>-1.83</b>
<b>Total [ 1+2 ]</b>	<b>9,493.88</b>	<b>4,109.23</b>

**Note : 19 Short Terms Loans and Advances**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Advances Recoverable in Cash or Kind</b>		
Loans and Advances to others (Unsecured considered good)	1,164.45	2,249.51
<b>Others</b>		
Loans and Advance to Employees	89.24	80.78
Unjust Enrichment	86.15	86.15
SAD/VAT receivable/Cenvat available	1,807.11	1,403.57
<b>Total</b>	<b>3,146.95</b>	<b>3,820.01</b>

**Note : 20 Other Current Assets**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
<b>Accruals</b>		
(i) Interest accrued on Deposits	222.13	129.12
(ii) Dividend	-	10.85
<b>Total</b>	<b>222.13</b>	<b>139.97</b>

**Notes to Financial Statements** for the year ended 31st March 2016

**Note : 21 Revenue from Operations**

		(Rs. in Lacs)	
Particulars	31st March 2016	31st March 2015	
<b>Sales of Products</b>			
Traded Goods	3,10,060.05	2,37,576.79	
Sale of Services	669.74	303.23	
Sale of Scrap	-	2.50	
<b>Total</b>	<b>3,10,729.79</b>	<b>2,37,882.52</b>	

		(Rs. in Lacs)	
Particulars	31st March 2016	31st March 2015	
<b>Details of Product Sold</b>			
Computer Components	2,40,392.04	1,76,711.96	
Computer Softwares	29,957.51	25,917.13	
Telecom Products	39,710.50	34,947.70	
<b>Total</b>	<b>3,10,060.05</b>	<b>2,37,576.79</b>	
<b>Details of Service Rendered</b>			
(i) Product Support Services	669.74	303.23	
<b>Total</b>	<b>669.74</b>	<b>303.23</b>	

**Note : 22 Other Income**

		(Rs. in Lacs)	
Particulars	31st March 2016	31st March 2015	
Interest Income on			
Bank Deposits	393.21	348.07	
Others	521.02	641.83	
Other Income	4.77	16.46	
Interest on IT Refund	42.52	0.08	
Dividend Income	8.92	-	
<b>Total</b>	<b>970.44</b>	<b>1,006.44</b>	

**Note : 23 Details of Purchase of Traded Goods/Services**

		(Rs. in Lacs)	
Particulars	31st March 2016	31st March 2015	
Computer Components	2,35,257.57	1,74,162.84	
Computer Softwares	30,884.73	24,713.68	
Telecom Products	38,295.66	29,211.83	
<b>Total</b>	<b>3,04,437.95</b>	<b>2,28,088.35</b>	

**Note : 24 (Increase)/Decrease in Inventories**

		(Rs. in Lacs)	
Particulars	31st March 2016	31st March 2015	
<b>Inventories at the end of the year</b>			
Traded Goods	25,430.42	20,867.69	
<b>Inventories at the beginning of the year</b>			
Traded Goods	20,867.69	20,557.46	
<b>Total</b>	<b>(4,562.73)</b>	<b>(310.23)</b>	

**Notes to Financial Statements** for the year ended 31st March 2016**Note : 25 Employment Benefit Expenses**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Salaries & Bonus	2,401.65	2,217.03
Contribution to provident and other fund	61.66	49.79
Gratuity	7.48	6.49
Staff Welfare	123.49	84.24
<b>Total</b>	<b>2,594.28</b>	<b>2,357.55</b>

**Note : 26 Other Expenses**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Rent and Compensation	639.67	610.13
Power & Fuel	71.36	77.54
Insurance	157.91	86.19
Payment to Auditors-(Refer details below)	20.69	16.32
Rates & Taxes	52.44	102.36
Foreign Exchange loss (Net)	555.68	433.65
Miscellaneous Expenses	1,626.21	1,901.75
<b>Total</b>	<b>3,123.96</b>	<b>3,227.94</b>

**Payment to Auditor**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Audit fees	14.19	9.82
Taxation Matters	4.00	4.00
Other services	2.50	2.50
<b>Total</b>	<b>20.69</b>	<b>16.32</b>

**Note : 27 Financial Cost**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Interest	3,428.87	3,260.18
<b>Total</b>	<b>3,428.87</b>	<b>3,260.18</b>

**Note : 28 Depreciation & Amortised Cost**

(Rs. in Lacs)

Particulars	31st March 2016	31st March 2015
Depreciation on Tangible Assets	450.23	473.60
<b>Total</b>	<b>450.23</b>	<b>473.60</b>



## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Compauge Infocom Limited will be held on Saturday, 24th day of September, 2016 at 10:00 a.m. at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400034 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 and the reports of the Directors and the 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 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if though 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, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. B.V. Dalal & Co., Chartered Accountants, Mumbai, having ICAI Firm Registration No. 114214W, be and are hereby appointed as Statutory Auditors of the Company for the Company’s financial year, 2016-17, to hold office from the conclusion of 17th Annual General Meeting until the conclusion of 18th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.

5. To appoint Branch Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: “RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company be and are hereby authorised to appoint Branch Auditors, AAA Assurance PAC, Public Accountants and Chartered Accountants, Singapore, having Co. Registration No.201408818E to audit the accounts in respect of the Company’s branch office located at Singapore and to fix their term and conditions of appointment and remuneration, plus taxes, as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the branch office outside India for the year ending March 31, 2017 as may be mutually agreed upon by the Board of Directors and the Accountants.”

By order of the Board  
For **Compauge Infocom Limited**,

Sd/-

**Disha Shah**

Company Secretary

Place: Mumbai

Date: August 5, 2016

### 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

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

Pursuant to Section 105, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder

3. The Register of Members and the Share Transfer Books of the Company will remain close from Saturday, September 17, 2016 to Saturday, September 24, 2016 (both days inclusive) for the purpose of declaration of dividend, if any, approved by the Members.
4. The Dividend for the year ended March 31, 2016 as recommended by the Board, if approved by the Members at the Annual General Meeting will be paid on or after September 25, 2016 to those members whose names appear in the Company's Register of Members on September 16, 2016. 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
5. Details under Regulation 36 of the SEBI (LODR) Listing Regulations, 2015, with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. Electronic copy of the 17th Annual Report 2015-16, inter alia, indicating the process and manner of e-voting along with Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Notice of the 17th Annual Report 2015-16, inter alia, indicating the process and manner of e-voting along with Attendance Slip and

Proxy Form is being sent in the physical mode.

7. Members are requested to :-
  - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended March 31, 2016, so as to enable the Company to keep the information ready.
  - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.  
Members who hold shares in dematerialised 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.
  - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
  - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
  - v. Approach the R&TA of the Company for consolidation of folios.
  - vi. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).
  - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Link Intime Private Limited upto the date of book closure

**LINK INTIME INDIA PRIVATE LIMITED**  
C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (West), Mumbai-400 078.
8. 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 Agent, 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.
9. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited and applicable listing fees have been paid upto date. The Securities and Exchange Board of India (SEBI) vide its Exit order no. WTM/RKA /MRD/47/2015 dated May 14, 2015 has now granted exit to Madras Stock Exchange ("MSE"). Subsequently, the securities of Company are no longer listed on MSE.

10. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

11. Pursuant to the provisions of Section 123 of the Companies Act, 2013 and 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	Due date for transfer to IEPF
2009-10 (Final)	14.08.2010	10.12.2017
2010-11 (Final)	29.07.2011	26.09.2018
2011-12 (Interim)	11.11.2011	01.09.2018
2011-12 (Final)	30.08.2012	28.10.2019
2013-14 (Final)	23.08.2014	21.10.2021
2014-15 (Final)	25.09.2015	23.11.2022

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.

12. 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 123 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).

13. 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 Intime India Private Limited.

14. Members may also note that the electronic copy of the Notice of the 17th Annual General Meeting and the Annual Report 2016 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. 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).

15. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 21, 2016 (9:00 am) and ends on September 23, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 17, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote 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; "CIL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote 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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Compuage Infocom Limited".
- (viii) Now you are ready for remote 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 authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to bhattivirendra@gmail.com or bhattivirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in

**B. In case a Member receives physical copy of the Notice of 17th 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 17th AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. 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).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 17, 2016.
- X. Any person, who acquires shares of the Company and

become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 19, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in rnt.helpdesk@linkintime.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Virendra G. Bhatt, Practicing Company Secretary, (C.P. No.124) has been appointed for as the Scrutiniser for providing facility to the members of the Company to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutiniser shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company www.compuageindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:

In terms of Section 152(6) of the Companies Act, 2013, Mr. Bhavesh H. Mehta shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Mr. Bhavesh H. Mehta appointed as a Whole-time Director of the Company for a period of three years effective from October 18, 2014. As per the terms of his appointment, re-appointment at the AGM as a Director retiring by rotation would not constitute break in his appointment as a Whole-time Director.

Mr. Bhavesh H. Mehta, aged 43 is a Whole-Time Director at Compugate Infocom Limited (hereinafter referred to as "CIL"). He is a M. Com Graduate holding Master's degree in Commerce with a specialisation 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.

He is not on the Board of any listed entity other than Compugate Infocom Limited wherein as on March 31, 2016, he holds 2848776 Equity Shares of the Company comprising to 24.25% of the paid up capital. He is a member of Corporate Social Responsibility Committee of Compugate Infocom Limited. He is brother of Mr. Atul H. Mehta, Chairman and Managing Director of the Company. Upon his re-appointment as a Director, Mr. Bhavesh H. Mehta shall continue to hold office as a Whole-time Director. Accordingly, the Board recommends his re-appointment.

By order of the Board  
For **Compugate Infocom Limited**,

Sd/-

**Disha Shah**

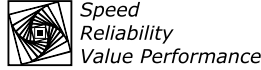
Company Secretary

Place: Mumbai

Date: August 5, 2016

## Route Map for AGM Venue





## COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com, website: www.compuageindia.com

# E-COMMUNICATION REGISTRATION FORM

To,

**LINK INTIME INDIA PRIVATE LIMITED**

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

**RE: Green Initiative in Corporate Governance**

Dear Sir/Madam,

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

Folio No. : .....

DP ID : .....

Client ID : .....

PAN : .....

Name of 1st Registered Holder : .....

Name of Joint Holder(s) : .....

Registered Address : .....

E-mail ID : .....

Date : .....

Signature of the first holder : .....

**Important Notes:**

- 1) On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the Company [www.compuageindia.com](http://www.compuageindia.com)
- 3) Shareholders are also requested to keep Company informed as and when there is any change in the e-mail address.

Unless the email Id given above is changed by you by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned e-mail ID.





Speed  
Reliability  
Value Performance

## COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com, website: www.compuageindia.com

### ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting of the Company held on Saturday, 24th September 2016 at 10.00 a.m. at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Mumbai- 400034

Folio No. : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

Name of the Member : \_\_\_\_\_

Signature of the Member : \_\_\_\_\_

Name of the Proxyholder : \_\_\_\_\_

Signature of the Proxyholder : \_\_\_\_\_

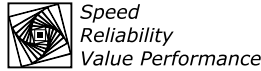
**Note:**

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.









### COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com, website: www.compuageindia.com

### Form No. MGT-11 PROXY FORM

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

CIN : L99999MH1999PLC135914  
Name of the Company : 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.

Name of the Member(s) :  
Registered address :

E-mail Id: Folio No/ Client Id: DP ID:

I / We, being the member(s) of ..... shares of the above mentioned Company, hereby appoint

- 1. Name : Address : E-mail Id : Signature: ..... or failing him/her
2. Name : Address : E-mail Id : Signature: ..... or failing him/her
3. Name : Address : E-mail Id : Signature: ..... or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Seventeenth Annual General Meeting of the Company, to be held on Friday, 25th day of September, 2016 at 10:00 am at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Mumbai- 400034 thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Table with 2 columns: Resolution No., Particulars of resolution. Contains 5 rows of resolutions regarding financial statements, dividends, and directors.

Signed this ..... day of ..... 2016
Signature .....
Signature of Proxy holder .....

Affix a One Rupee Revenue Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.













*Speed*  
*Reliability*  
*Value Performance*

**COMPUAGE INFOCOM LIMITED**