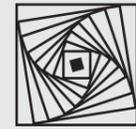




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BOOK POST

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COMPUAGE INFOCOM LTD.
601, D-Wing, Lotus Corporation Park,
Ram Mandir Lane, Near Jai Coach Junction, Western Express Highway,
Goregaon (E), Mumbai - 400 063. INDIA.
Tel : +91-22-6711 4444 Fax : +91-22-6729 7240
E-mail : info@compuageindia.com

13th Annual Report

2011-12



COMPUAGE INFOCOM LTD.

COMPUAGE INFOCOM LTD.

Thirteenth Annual Report 2011-12

Board of Directors

Atul H. Mehta
Bhavesh H. Mehta
G.S. Ganesh
Vijay Agarwal
Preeti Trivedi

Registered Office

3, Dhuru Building, 1st Floor, 329, Vithal bhai Patel Road,
Mumbai-400 004.

Registrar & Share Transfer Agents

LINKINTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West), Mumbai- 400 078.

Auditors

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

Branches

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

Bankers

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

COMPUAGE INFOCOM LIMITED

601, D-Wing, Lotus Corporate Park, Ram Mandir Lane, Near Jai Coach Junction,
Western Express Highway, Goregaon (E), Mumbai - 400063. INDIA.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full Name of the Member attending (in block letters) _____

Full Name of the First joint holder _____

(To be filled-in if first named joint holder does not attend the meeting)

Name of the proxy _____

(To be filled-in if the proxy form has been duly deposited with the Company)

I hereby record my presence at the Thirteenth Annual General Meeting of the Company held on Thursday, 30th August, 2012 at 10.00 a.m at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Mumbai- 400 034.

Regd. Folio No. _____

OR

Member's/ Proxy Signature

DP ID/ CLIENT ID : _____

No. of Shares held : _____ (to be signed at the time of handing over of this slip)

COMPUAGE INFOCOM LIMITED

601, D-Wing, Lotus Corporate Park, Ram Mandir Lane, Near Jai Coach Junction,
Western Express Highway, Goregaon (E), Mumbai - 400063. INDIA.

PROXY FORM

I/We _____

of _____ in the district of _____

_____ being a Member (s) of the above named Company, hereby appoint Mr./Ms. _____

of _____ in the district of _____

or failing him/ her Mr./Ms _____

of _____ in the district of _____

as my/ our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 30th August, 2012 at 10.00 a.m at Victoria Memorial School For Blind Tardeo Road, Opp. Film Centre, Mumbai-400 034. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Regd. Folio No. : _____

OR

DP ID/ CLIENT ID: _____

No. of Shares held _____

Affix
Re. 1.00
Revenue
Stamp

Signature

Note: The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48hrs. before the time of holding of the meeting.



COMPUAGE INFOCOM LTD.

NOTICE IS HEREBY GIVEN THAT THE 13TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMPUAGE INFOCOM LIMITED WILL BE HELD ON THURSDAY, 30TH AUGUST, 2012 AT 10.00 A.M AT VICTORIA MEMORIAL SCHOOL FOR BLIND TARDEO ROAD, OPP. FILM CENTRE, MUMBAI - 400 034 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a final Dividend on Equity shares of the company.
3. To appoint a Director in place of Mr. G.S Ganesh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. B. V. Dalal & Co Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize Board of Directors to fix their remuneration.

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

Shilpa Singh
Company Secretary

Place: Mumbai
Date 17th July, 2012

Registered Office :

601, D-Wing, Lotus Corporate Park,
Ram Mandir Lane, Near Jai Coach,
Western Express Highway, Goregaon (E),
Mumbai - 400 063.



COMPUAGE INFOCOM LTD.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. A proxy form duly completed and stamped, must reach the registered office of the company not less than 48 hours before Commencement of the Meeting.
3. The register of members and the share transfer books of the company will remain closed from 28th August, 2012 to 30th August, 2012 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
4. The Dividend for the year ended 31st March, 2012 as recommended by the Board, if approved at the Meeting will be paid within the prescribed time limit to those members whose names appear in the Company's Register of Members on 30th August, 2012. 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. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representative to attend and vote at the said meeting.
6. Members/Proxies/Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
7. The Registered Office of the Company has been Shifted from 3, Dhuru Building, 1st Floor, 329, Vithalbai Patel Road, Mumbai - 400 004 to 601, D-Wing, Lotus Corporate Park, Ram Mandir Lane, Near Jai Coach, Western Express Highway, Goregaon (E), Mumbai - 400 063.
8. Members are requested to send the advice about change in address/any other details to the Company's Registrar and Transfer Agent, Link Intime India Private Limited in respect of Equity Shares held in physical form and to their respective Depository Participants in respect of equity shares held in dematerialized form.

LINK INTIME INDIA PRIVATE LIMITED,

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



9. Pursuant to the provision of section 205A and 205C of the Companies Act, 1956, the dividend which remains Unclaimed / Unpaid for a period of seven years from the date of transfer to the respective unpaid dividend accounts, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.
10. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is attached hereto.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

i) Item No. 3 of the Notice:

Name	Mr. G.S Ganesh
Age	53 years
Qualification	Chartered Accountant
Expertise	Specialized in Finance
Date of appointment	18.10.2000

Order of the Board of Directors
For **Compugate Infocom Limited**

Shilpa Singh
Company Secretary

Place: Mumbai
Date : 17th July, 2012

Registered Office:

601, D-Wing, Lotus Corporate Park,
Ram Mandir Lane, Near Jai Coach,
Western Express Highway, Goregaon (E),
Mumbai - 400 063.

**DIRECTOR'S REPORT**

Dear Shareholders,

The Board of Directors has pleasure in presenting the Audited Financial Statements for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS:

The highlights of the Financial Results are:

(Rs. In Lacs)

Particulars	Current Year 2011-12	Previous Year 2010-11
Revenue from Operation & Other Income	154444.05	131468.14
Profit before Interest, Taxation & Depreciation	3582.76	2512.76
Less: Interest	1895.67	1103.18
Less: Depreciation	167.44	117.69
Profit before Tax	1519.65	1291.90
Less: Provision for taxation	498.88	424.62
Profit after Tax Provision	1020.77	867.27
Balance brought forward	2173.78	1427.32
Amount available for Appropriation:	3194.55	2,294.59
Dividend		
Interim Dividend	66.55	-
Proposed Dividend	66.55	103.60
Dividend Distribution Tax	22.10	17.21
Balance Carried to Balance Sheet	3039.35	2,173.78

BUSINESS REVIEW:

The year gone by has been a good year with company closing on a profitable note. The company's revenue grew to Rs.154444.05 lacs registering a growth of 17.48% and consolidated revenue growing to Rs.159176.76 lacs, registering a growth of 17.68%.

The profit after tax grew to Rs. 1020.77 lacs, growing by 17.70% over the previous year. Consolidated profit after tax grew to Rs.1028.40 lacs, growing by 19.65%.

DIVIDEND:

The Company has already paid an Interim Dividend of Re.1/- (One Rupee) per share amounting to Rs. 6655000/-. The Board of Directors now recommend a final dividend of Re. 1.00 (One Rupee) per share for the year ended 31st March, 2012 which is (10%) on face value of Rs. 10/- (Rupees Ten only) each, subject to the approval of members at the ensuing Annual General Meeting, thereby making it total Dividend of Rs.2.00/- on each equity share of Rs. 10/- for the year under review.



FUTURE OUTLOOK:

Future outlook of Compuage is very promising. It operates in growth oriented industry which is likely to grow by about 12% per annum for the next few years. The company being small will be able to grow more than the IT industry's growth rate.

SHARE CAPITAL

The paid-up equity share capital of your Company has been increased from Rs.5,18,00,000 to Rs.6,65,50,000 on account of the Warrant Conversion and Preferential Allotment of Shares.

LISTING OF SECURITIES

The Company's equity shares are listed on Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE).

SUBSIDIARY COMPANIES:

The Company has (03) Three subsidiaries of the Company as on March 31, 2012, which are as under:

- (1) Greenvision Technologies Pvt. Ltd.
- (2) ADIT E-commerce Pvt. Ltd.
- (3) Compuage Infocom (S) Pte. Ltd.

(1) Greenvision Technologies Pvt. Ltd.

Greenvision Technologies Pvt. Ltd. was incorporated on March 19, 2008 with Compuage holding 52% of its Equity Share Capital and voting power. As on March 20, 2009 we acquired additional 24% of the Equity Share Capital of Greenvision. As at March 31, 2012, we hold 76% of the Equity Share Capital and voting power of Greenvision Technologies Pvt. Ltd.

Greenvision Technologies Pvt. Ltd. focuses on Power Solutions for the Enterprise Customers and Batteries for the UPS, Inverter and the Telecom Sector. The Company is in the process of setting up a plant to manufacture batteries.

During the year Greenvision Technologies Pvt Ltd has achieved a turn over of Rs. 2736.06 lacs and has made a net profit before tax of Rs. 11.12 Lacs.

(2) ADIT E-commerce Pvt. Ltd.

ADIT E-commerce Pvt. Ltd. was incorporated on May 17, 2008; we acquired 80% of the Equity in the Company on January 19, 2010. The investment was made in the Company to take advantage of the growing online business.



(3) Compuage Infocom (S) Pte. Ltd.

Compuage Infocom (S) Pte. Ltd. is our wholly owned subsidiary and was formed to expand our business operation in Singapore.

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

INFORMATION TECHNOLOGY:

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

INTERNAL AUDIT:

Compuage has further strengthened its internal audit team. This team monitors the entire business operations constantly from its centralized database in Mumbai. It reports directly to the Audit Committee headed by the Board of Director.

DIRECTORS:

Mr. G.S Ganesh retires by rotation from the Board in the forthcoming Annual General Meeting and being eligible, offers herself for reappointment at the said Annual General Meeting.

AUDITORS:

The Statutory Auditors of your Company, M/s. B.V.Dalal & Co., Chartered Accountants, retire at the conclusion of the forth coming Annual General Meeting and being eligible offer themselves for re-appointment. The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

FIXED DEPOSIT:

The Company has accepted the Fixed Deposits and complied the provisions of Section 58A of the Companies Act, 1956.

**DEPOSITORY SYSTEM:**

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

STATUS OF DEMATERIALISATION OF SHARES:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. That in preparation of the Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. That the directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2012 and the profit of the Company for the year under review;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts for the year ended 31st March, 2012 have been prepared on a 'going concern basis'.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditor's Statement on its compliance.

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

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

Earning in Foreign Exchange: NIL.



The payment of foreign exchange outgoes are as under:

1. Valuation of Imports calculated on C.I.F. basis for one year period ended 31st March, 2012 is Rs.31244.10 Lacs. (Rs. 50637.85 Lacs in previous year)		
2. Expenditure in Foreign currency: (Rs. in Lacs) (Current Year) (Previous Year)		
Traveling	1.98	NIL
Interest	NIL	1.56

PARTICULARS OF EMPLOYEE:

Statement of Particulars of Employees under Sec 217 2(A) for the period ended 31st March, 2012.

Name (Age)	Designation, Nature of duties & Date of commencement of Employment	Qualification / Experience	Gross Remuneration Rs.	Last Employment Designation / Name of Company
*Atul H. Mehta (50)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA - U.S.A (24)	1,20,00,000 (w.e.f 08.09.2011)	Compugate Electronics Ltd. Chairman & Managing Director
*Bhavesh H. Mehta (37)	Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (17)	1,20,00,000 (w.e.f 18.10.2011)	Compugate Electronics Ltd. Director

Note :

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

As we begin to compete in the challenging business environment of the new millennium we realize that Human Resources are the most valuable assets for our organisation and it's our people who provide the competitive edge to Stay ahead.

Our strategy for development of Human Resources is through providing a motivating work environment, recruiting the best talents, providing challenging goals, and by creating a culture for learning and growth. Our aims of employee development are not just about acquiring skills to solve specific problems but also expanding minds to address problems and opportunities which have not become apparent with full understanding of cross functional linkages.



Continuing personal development is the constant obligation of all employees and constant responsibility of all Executives, Managers and supervisors.

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

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated Financial Statements are attached. The consolidated network as on 31st March 2012 is Rs. 52 Cr.

ACKNOWLEDGEMENTS:

Your board takes this opportunity to thank its shareholders, employees, customers, vendors and bankers for the support and faith reposed in the company.

The Directors also wish to convey their appreciation to the Government and Statutory authorities for their co-operation.

The Directors appreciate and value the contribution made by every member of the Compuage Family across the world

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

Atul H. Mehta
Chairman and Managing Director

Place: Mumbai.
Date: 29th May, 2012

Registered Office:
Compuage Infocom Ltd
3, Dhuru Building,
329, Vithalbhair Patel Road,
Mumbai-400 004.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

Forward-Looking Statements

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

Industry outlook:

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices.

Compuage has increased its focus on a sustained efficiency program across the enterprise. This includes working towards improving cash collection, controlling expenditure and optimizing wherever possible. These measures are showing visible success.

Compuages growth has occurred within a challenging economic climate. Your Company has demonstrated leadership, remained disciplined in execution and faced a volatile market with a positive 'can do' attitude. Looking towards the future, your Company will remain focused on agility, innovation and operational excellence

The company continues to focus on both extension of geographic reach in emerging growth markets as well as on development & growth of new customer accounts across major product lines to cement its leading position on storage media & peripherals

The management is also exploring into other businesses which offer better margins and make use of its infrastructure and its Distribution expertise. The company through its subsidiary Greenvision is setting up a manufacturing facility for batteries for UPS Inverters and Telecom Sector. This initiative too shall enhance the profitability of the company.

Future Outlook

Compuage is also exploring distribution in other areas such as Telecom products and Consumer Durables, thereby leveraging in its infrastructure and of course optimizing its core competency in distribution

Greenvision, its subsidiary, focusing on Power Protection Segment and Services is setting up a manufacturing unit to manufacture batteries for UPS, Inverters and Telecom. All these are high growth areas and offer good potential. This will help the company in 2 ways, one, derisk its dependence on IT



The year ahead looks promising.

Operational Performance

The Last Financial Year 2011-12, was a good year with company closing on a profitable note. The company's revenue grew to Rs. 154444.05 lacs registering a growth of 17.48% and consolidated revenue growing to Rs. 159176.76 lacs, registering a growth of 17.68%. The profit after tax grew to Rs. 1020.77 lacs, growing by 17.70% over the previous year. Consolidated profit after tax grew to Rs.1028.40 lacs, growing by 19.65%.

Landmark Events:

In the year gone by Compuage has continued to invest in infrastructure, reach and product portfolio all of which shall enable the company to continue its growth. New products signups include ADC Krone - Passive Networking Products, Asus - Notebooks, Cisco - Networking Products, Edifier - Speakers, Foxconn - Motherboards, HP PCs, Olympus - digital Cameras, Toshiba - Flash Products.

SWOT Analysis

Strengths :

- The company has 24 years of existence in Indian market and has posted sales growth of 53% CAGR over 3 yr
- It has well established distribution network across country
- It has physically presence in all 27 states of country with integrated ERP system
- The Company has strong sales team which is motivated on achievement of sales targets by cash & in kind
- The Company enjoys strong credibility in the market

Weakness :

- The Company has PAT margin of 0.55%
- The Company is paying high Interest cost
- Its presence is Primarily limited to Indian market
- It is operating in low margin industry

Opportunities :

- Domestic IT hardware industry is expected to grow at 11.4%
- The Company has planned to add private labels to improve margin
- It is targeting overseas market by Singapore subsidiary
- It is entering into high margin battery industry

Threats :

- Global IT distribution companies may enter Indian Market
- Few regional players are planning to expand nationwide
- Margins are generally fixed by supplier, fierce competition may lead to margin reduction



Internal Controls:

Compuage's well defined organization structure, policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

- 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.
- 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.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

As we begin to compete in the challenging business environment of the new millennium we realize that Human Resources are the most valuable assets for our organization and it's our people who provide the competitive edge to Stay ahead.

Our strategy for development of Human Resources is through providing a motivating work environment, recruiting the best talents, providing challenging goals, and by creating a culture for learning and growth. Our aims of employee development are not just about acquiring skills to solve specific problems but also expanding minds to address problems and opportunities which have not become apparent with full understanding of cross functional linkages.

Continuing personal development is the constant obligation of all employees and constant responsibility of all Executives, Managers and supervisors.

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

Disclaimer:

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

**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The underlying principles of Corporate Governance are the values, ethics and commitments to follow best business practices. Thus, it rests upon the foundations of transparency, disclosures and fairness in dealing with its stakeholders.

It is about demonstrating high level of integrity, transparency, accountability and disclosures across the Company's operations and in its interaction with its stakeholders, including shareholders, customers, employees, the government, lenders and the society. Our endeavor is not merely to comply with regulatory & statutory requirements, but to follow the governance code in spirit. Your Company practices a culture that is built on core values and ethics. The Corporate Governance philosophy of the Company is driven by the following fundamental principles:

1. Conduct the affairs of the Company in an ethical manner
2. Ensure transparency in all our dealings
3. Ensure highest level of responsibility and accountability
4. Ensure Compliance with all laws and regulations as applicable
5. Ensure timely dissemination of all price sensitive information

The Corporate Governance philosophy has been scripted as under:

"As a good corporate Citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving way for its long term success."

We have made conscious efforts to institutionalize Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. We will continuously endeavor to take forward the best practices to enhance stakeholders' value.

CORPORATE GOVERNANCE

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

The report on corporate governance is divided into five parts:

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

**I. BOARD OF DIRECTORS**

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

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

During the year under review, the Board of Directors of the Company consisted of Five Directors. Three of them, i.e. Mr. G.S.Ganesh, Mr. Vijay Agarwal and Ms. Preeti Trivedi are Non-Executive and Independent Directors.

Mr. Atul Mehta is Chairman & Managing Director. The other Executive Director is Mr. Bhavesh Mehta. Hence the composition of the Board of Directors is well within the norms of Corporate Governance.

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

Name of Director	Designation	No. of Directorship in other Public Ltd. Companies	Other Companies Committee's	
			Membership	Chairmanship
Mr. Atul Mehta	Promoter, Chairman & Managing Director	2	Nil	Nil
Mr. Bhavesh Mehta	Promoter, Whole-time Director and Chief Operating Officer	2	Nil	Nil
Mr. G.S.Ganesh	Non-Executive Independent	Nil	Nil	Nil
Mr. Vijay Agarwal	Non-Executive Independent	6	3	4
Ms. Preeti Trivedi	Non-Executive Independent	Nil	Nil	Nil



Note:

1. The Directorship held by directors as mentioned above, do not include Alternate Directorship and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
2. In accordance with Clause 49, Memberships/Chairmanships of only Audit Committees and Shareholders Grievance Committees of all Public Limited Companies have been considered.
3. As required by the Companies Act, 1956 & clause 49 of the listing agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (Audit Committees/Shareholders Grievance Committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

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

A. REVIEW OF THE BOARD

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

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

B. BOARD MEETINGS

The meetings of the Board of Directors are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure etc. is circulated to all the directors before the date of Board Meeting. It also highlights important matters discussed at the Audit Committee, Share Transfer Committee/Investor Grievance Committee of the Board. Thirteen (13) Board Meetings were held during the year on 19th April, 2011, 18th May, 2011, 10th June, 2011, 18th July, 2011, 5th August, 2011, 29th August, 2011, 21st September, 2011, 15th October, 2011, 11th November, 2011, 16th December, 2011, 31st January, 2012, 9th February, 2012, 28th March, 2012,



Name of the Directors	Category of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attended at last A.G.M.
Mr. Atul Mehta	Promoter, Chairman & Managing Director	13	13	YES
Mr. Bhavesh Mehta	Promoter & Whole-time Director	13	13	YES
Mr. G. S. Ganesh	Independent Director	13	13	YES
Mr. Vijay Agarwal	Independent Director	13	13	YES
Ms. Preeti Trivedi	Independent Director	13	13	YES

C. CODE OF CONDUCT

The Company has adopted a Code of Conduct (Code) for Directors and Senior Management personnel one level below the Executive Directors including all Functional Heads, which is in compliance with the requirements of Clause 49 of the listing Agreement entered into with the Stock Exchange. The Code has been posted on the Company's website.

The Board of Directors has adopted the Code of Conduct & Responsibilities of the Board towards the Company in its Board Meeting held on 31st January, 2006.

All Directors and designated senior management cadre of the Company have affirmed compliance of the code for the year under review. The declaration to this effect signed by the Chairman & Managing Director is annexed to this report.

II. COMMITTEES OF THE BOARD**A. AUDIT COMMITTEE**

The Composition of Audit Committee and attendance of members of the meetings are as under:

Name of Director	Category	Designation	No of meetings attended
Mr. G. S.Ganesh	Non-Executive Independent Director	Chairman	4
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	4
Ms. Preeti Trivedi	Non-Executive Independent Director	Member	4

Audit Committee reviews in their meetings & recommends to the Board matters relating to the following terms of reference:

- To oversee the Company's financial reporting process and disclosure of its financial information.
- To recommend the appointment of Statutory Auditors and fixation of the Audit fee.



- To review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of internal audit function, major accounting policies, practices and entries, compliance with accounting standards with the Stock Exchanges and legal requirements concerning financial statements and related party transactions, if any.
- To review the Company's financial and risk management policies and discuss with the internal auditors.
- To follow-up significant findings thereon.
- To review the quarterly and annual financial statements before submission to the Board of Directors.

During the year four Audit Committee meetings were held on 19th April, 2011, 5th August, 2011, 11th November, 2011 and 9th February, 2012.

B. REMUNERATION COMMITTEE

Remuneration Committee was re-constituted on 31st January, 2006 and it reviews and approves the annual salaries, performance commissions, service agreements and other employment conditions for executive directors. During the year Remuneration Committee met on 10th June, 2011. The attendances of members for the meeting is as follows:

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

Directors have set up a Management Performance Review Committee to determine and review the performance related compensation package for Sales and other Management Staff.

Remuneration to Executive Directors:

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

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

**C. SHARE TRANSFER COMMITTEE /INVESTOR GRIEVANCE COMMITTEE**

The Share Transfer Committee/Investor Grievance Committee consists of three members. The Committee meets on a regular basis to approve transfer, transmission, splitting, consolidation and rematerialisation of shares. The Committee specifically look into the redressal of Shareholders/Investor complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report etc.

a) The constitution of the Committee and the presence of members for the meetings held on 29th April, 2011, 22nd July, 2011, 23rd September, 2011, 25th November, 2011, 31st December, 2011, 17th February, 2012 and 23rd March, 2012 are as follows:

Name of Director	Category	Designation	No of meetings attended
Ms. Preeti Trivedi	Non-Executive Independent Director	Chairperson	7
Mr. Atul Mehta	Chairman & Managing Director	Member	7
Mr. G. S.Ganesh	Non-Executive Independent Director	Member	7

b) Name & Designation of Compliance Officer : Ms. Shilpa Singh
Tel No: 022- 23842200
Fax No: 022- 23842210

c) Number of Shareholder Complaints received during the year : 9

d) Number of Complaints not solved to satisfaction : 0

e) Number of Complaints pending : 0

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

Year	AGM/ EGM	Date	Time	Venue	Special Resolutions
2011-12	EGM	16.08.2011	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	• Allotment of 480,000 Equity Shares on preferential basis to the Non Promoters Group.
2011-12	12th AGM	29.07.2011	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	• Re- appointment of Mr. Atul Mehta as Managing Director



					<ul style="list-style-type: none"> • Re- appointment of Mr. Bhavesh Mehta as Whole-time Director • Alteration in Articles of Association.
2010-11	11th AGM	14.08.2010	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	<ul style="list-style-type: none"> • Appointment of Ms. Preeti Trivedi as Director. • Further Issue of Securities.
2009-10	EGM	10.02.2010	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	<ul style="list-style-type: none"> • Alteration of Article 7 (c) of the Articles of Association. • Issue of 18, 00,000 warrants on preferential basis consequent to conversion of warrants.
2009-10	10th AGM	25.07.2009	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai - 400034	<ul style="list-style-type: none"> • Increase in FII's and NRIs limit to 49% • Dealing in fractional entitlement pursuant to the Rights Issue of Shares of the Company.

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

**III. DISCLOSURES:**

- a) There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.
- b) A list of transactions with related parties as per Accounting Standard AS-18 mentioned in Note 2 in Notes Accounts.
- c) The Company has implemented the mandatory requirements of Corporate Governance as set out in the listing Agreement in respect of Compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, the details whereof are given under the heading "Remuneration Committee".
- d) Proceeds from Preferential Issue of Equity Shares:
The Company has made necessary disclosure relating to utilization of proceeds from the preferential allotment in the financial statement under Notes to Accounts.
- e) As required by Clause 49(V) of the listing Agreement, the CEO and VP-Finance have given their Certificate to the Board.
- f) Compliance Certificate as required under Clause 49 of the listing Agreement obtained from Practising Chartered Accountant, certifying the Compliance by the Company with the provisions of Corporate Governance of the listing Agreement is given as an Annexure to this Report.

IV. MEANS OF COMMUNICATION

- i. The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the listing Agreement and published in one English Daily and one Marathi daily news papers, normally results are published in Business Standard and Navshakti.
- ii. The Management Discussion and Analysis Report, in Compliance with the requirements of Clause 49 of the listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company.
- iii. The Consolidated Financial Statements of the Company and its subsidiaries forms part of this Annual Report.

V. SHAREHOLDERS INFORMATION

1. Annual General Meeting
Date and Time 30th August, 2012 at 10.00 a.m
Venue Victoria Memorial School for Blind,
Tardeo Road, Opp. Film Centre,
Mumbai - 400 034.



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2.	Board Meeting for considering of Audited Accounts	29th May, 2012
3.	*Posting of Annual Report :	On or before 7th August, 2012
4.	Book Closure Date:	28th August, 2012 to 30th August, 2012
5.	Dividend payment date :	On or before 12th September, 2012
6.	Financial year :	1st April, 2011 to 31st March, 2012
7.	Last date of receipts of proxy forms:	28th August, 2012
8.	Registered Office:	Compuage Infocom Ltd. 3, Dhuru Building, 329, Vithalbai Patel Road, Mumbai - 400 004.
9.	Equity Shares listed:	Bombay Stock Exchange Ltd. (CODE NO.532456). Madras Stock Exchange Limited CIFC

Stock Price Data:

The monthly high and low share prices during the year at BSE and NSE are as under:

Month	BSE		*NSE	
	High	Low	High	Low
April, 2011	169.70	136.60	175.60	135.10
May, 2011	160.85	113.25	160.00	100.25
June, 2011	131.50	95.55	131.20	94.00
July, 2011	133.00	90.00	128.95	95.00
August, 2011	124.50	95.00	122.75	95.70
September, 2011	124.90	95.55	119.95	96.00
October, 2011	106.90	83.00	106.95	85.00
November, 2011	92.50	62.80	93.80	61.90
December, 2011	72.00	58.00	95.90	59.00
January, 2012	98.50	63.25	94.40	65.00
February, 2012	93.00	75.15	94.00	73.00
March, 2012	98.20	58.60	93.80	58.10

Source: BSE Website and NSE Website



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

Stock Performance

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



10. Corporate Identity Number (CIN)

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

11. Registrar & Transfer Agents:

Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400 078.
E-mail: rnt.helpdesk@linkintime.co.in

**12. Share Transfer System:**

Presently, the share transfers, which are received in physical form, are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders/Investors Grievances and Share Transfer Committee.

The Company obtains half-yearly certificate of compliance with the share transfer formalities from a Company Secretary in Practice as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the said certificate with the Stock Exchanges.

13.(i). Distribution of shareholding by size as on 31st March 2012:

No. of Equity Shares held	Shareholders		Shares	
	NOS	%	NOS	%
NOS	NOS	%	NOS	%
Upto-500	2,273	90.41	2,13,072	3.20
501-1,000	94	3.74	72,208	1.09
1,001-2,000	70	2.78	1,05,391	1.58
2,001-3,000	20	0.80	49,053	0.74
3,001-4,000	8	0.32	27,995	0.42
4,001-5,000	10	0.40	47,848	0.72
5,001-10,000	8	0.32	64,078	0.96
10,001 - Above	31	1.23	60,75,355	91.29
Total	2,514	100.00	66,55,000	100.00

(ii). Category of Shareholdings as on 31st March, 2012:

Category	No. of shares	% of Shareholding
Other Bodies Corporate	2,34,384	3.52
Clearing Member	12,660	0.19
Directors	35,61,126	53.51
Foreign Company	54,725	0.82
Hindu Undivided Family	4,355	0.07
Market Maker	10,926	0.16
Nationalised Banks	40	0.00
Non Resident Indians	7,24,182	10.88
Non Resident (Non Repatriable)	67	0.00
Public	10,99,551	16.53
Relatives of Directors	9,52,984	14.32
Total	66,55,000	100.00

**14. Financial Release Dates:**

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	Mid of August 2012
2nd Quarter ending 30th September	Mid of November 2012
3rd Quarter ending 31st December	Mid of February 2013
4th Quarter ending 31st March	Mid of May 2013

15. (a) Demat Position as on 31st March, 2012:

Total No. of fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
66,55,000	64,85,523	97.45	1,69,477	2.55

(b) Details of Locked-in Shares:

- As on 29th August, 2011, Mr. Atul Mehta and Mr. Bhavesh Mehta, Promoters of the company subscribed to the Equity Shares of the Company on exercise of option attached to the warrants allotted on Preferential basis on 2nd March, 2010, where upon the Company allotted 9,95,000 Equity Shares (Mr. Atul Mehta- 4,97,500 Equity shares and Mr. Bhavesh Mehta- 4,97,500 Equity Shares) to the Warrant Holder and the said shares shall be in Lock-in period up to 28th August, 2014.
- As on 29th August, 2011, the Company allotted 4, 80,000 Equity shares to the Non Promoter Group on Preferential Basis and the said shares shall be in Lock-in period up to 28th August, 2012.

16. Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion.

- The Company has not so far issued any GDRs/ADRs, therefore question of outstanding GDRs / ADRs etc as at end of March 2012, does not arise.

(ii). Conversion of Warrants

Pursuant to the Approval of Members of the Company in the Extra-Ordinary General Meeting held on 10th February, 2010 the Company allotted 18,00,000 Warrants at Rs.67/- (including Premium of Rs. 57/- per equity shares on preferential basis to the Promoters (Mr. Atul Mehta-9,00,000 Warrants and Mr. Bhavesh Mehta- 9,00,000 warrants) on 2nd March, 2010.

During the Year, Mr. Atul Mehta and Mr. Bhavesh Mehta, Promoters of the company subscribed to the Equity shares of the Company on exercise of option attached to the warrants, where upon the Company allotted 9,95,000 Equity Shares (Mr. Atul Mehta- 4,97,500 Equity shares and Mr. Bhavesh Mehta- 4,97,500 Equity Shares) to the Warrant Holders.



Consequent upon the allotment of these shares the Paid up Share Capital of the Company Increased to 61,75,000 Equity Shares.

Promoters did not opt for conversion of balance 8,05,000 option and accordingly, the same stand Lapsed.

(iii). Preferential Allotment of Equity Shares

Pursuant to the provisions of the Companies Act, 1956, provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, the provisions of all other applicable laws and regulations, provisions of the Memorandum of Association and the Articles of Association of the Company and pursuant to the resolution passed by the shareholders of the Company dated 16th August, 2011, the Company allotted 4,80,000 Equity shares at Rs.146/- (including Premium of Rs.136/- per equity shares) on preferential basis to Non promoter Group on 29th August, 2011.

Consequent upon the allotment of these shares the Paid up Share Capital of the Company Increased to 66,55,000 Equity Shares.

17. ADDRESS FOR INVESTOR CORRESPONDENCE

For any assistance regarding dematerialisation 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;
Fax: 91-22-25946969;
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.

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

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



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

DECLARATION

To the Shareholders of Compugate Infocom Limited

Sub: Compliance with Code of Conduct

In accordance with Clause 49(I)(D) of the listing Agreement, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as Applicable to all the Directors and Senior Management, for the year ended March 31, 2012

For Compugate Infocom Limited

Place: Mumbai

Date: 29th May 2012

Mr. Atul H. Mehta

Chairman & Managing Director



To,
The Board of Directors
Compuage Infocom Limited
3, Dhuru Building , 1st Floor,
329, Vithalbhai Patel Road, Mumbai-400004

Sub: Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) On Financial Statements of the Company for the year ended 31st March 2012.

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

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

Mr. Atul Mehta
Chairman and Managing Director

Mr. Sunil Mehta
VP-Finance

Place: Mumbai
Date: 29th May 2012



Annexure to the Directors' Report

Auditors' Certificate on Corporate Governance.

To the Members of the COMPUAGE INFOCOM LIMITED

1. We have examined compliance of the conditions of Corporate Governance by Compuage Infocom Ltd, for the year ended on 31st, March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the Management, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the year ended 31st March, 2012, the Registrars of the Company have certified that as at 31st March, 2012, there were no investor grievances remaining unattended / pending for more than 30 days.
5. We further state that such compliance is neither on assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B. V. DALAL AND CO.**
CHARTERED ACCOUNTANTS

PLACE: MUMBAI
DATED: 29th May 2012

M.S.Shah
PARTNER
M.No.104640



REPORT OF THE AUDITORS

To,
The Members of Compuage Infocom Limited

1. We have audited the attached Balance Sheet of 'Compuage Infocom Limited', as at 31st March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and amended by DCA Notification GSR 766 (E) dated 25th November 2004, we give in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) 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;
 - iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act.



- v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Act.
- vi) In our opinion and to the best of our information and according to explanations given to us, the said accounts together with the notes appearing thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For B. V. Dalal & Co.
Firm Reg No.: 114214W.
Chartered Accountants

CA M. S. Shah
Partner
Membership No. 104640
Mumbai, May 29, 2012



ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and nature of its business. As explained to us, no material discrepancies were noticed on such verification.
- (c) As per the information and explanations given to us, during the year, the company has not disposed off any substantial part of fixed assets that would affect the going concern status of the company.
- (ii) (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, we are of opinion that the company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of the inventories, having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act. There are 3 parties covered in the said register to which the Company has granted loans. The maximum amount involved during the year was Rs. 1,124.20 lacs and the year end balance of unsecured loans to such parties was Rs. 481.76 lacs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been given to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company; and
- (c) We have been informed that the terms of payment of the principal amount and interest during the year have not been stipulated; and
- (d) There is no overdue amount in excess of Rs. 1 lakh. Accordingly, clause 4(iii)(d) of the Order is not applicable to the Company; and



- (e) The Company has taken unsecured loans from parties covered in the register maintained under Section 301 of the Act. There are 11 parties covered in the said register from which the Company has taken loans. The maximum amount involved during the year was Rs. 581.06 lacs and the year-end balance of unsecured loans taken from such parties was Rs. 465.50 lacs; and
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company; and
- (g) The payment of the principal amount and interest during the year have been regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods and services. We have not observed any continuing failure to correct major weakness in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register required to be maintained under the said Section have been duly entered; and
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements as reported vide clause (a), have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The provisions of section 58AA are not applicable there being no acceptance of deposits from small depositors. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.



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- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 209 (1) (d) of the Act and the relevant Notification G.S.R. 277 (E) dated 24th April, 2001 of the Government are not applicable to the Company being a trading company.
- (ix) (a) According to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (x) The company neither has accumulated losses nor it has incurred any cash losses during the current financial year and the immediately preceding financial year.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to financial institutions or banks. There are no debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the company is not a chit fund, a nidhi or a mutual benefit society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in shares, securities, debentures and other investments. According, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.



COMPUAGE INFOCOM LTD.

- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the company during the year for the purpose for which loans were obtained.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, the funds raised on short term basis during the year have not been used for long term investment. Long term funds have been used to finance fixed assets, part of which may be sold in the next financial year.
- (xviii) During the year company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or a charge in respect thereof does not arise.
- (xx) The Company has not made any public issues during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For B. V. Dalal & Co.
Firm Reg No.: 114214W.
Chartered Accountants

CA M. S. Shah
Partner
Membership No. 104640
Mumbai, May 29, 2012



COMPUGATE INFOCOM LTD.

BALANCE SHEET AS AT 31ST MARCH 2012.

₹ IN LACS

	Note No.	31st March 2012	31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	665.50	518.00
(b) Reserves and Surplus	4	4,625.86	2,405.50
(c) Money received against Share Warrants		-	301.50
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,206.30	840.27
(b) Deferred Tax Liabilities (Net)	6	116.59	92.71
(c) Long term Provisions	7	9.50	-
(3) Current Liabilities			
(a) Short-Term Borrowings	8	18,921.23	12,203.93
(b) Trade Payables	9	15,213.24	16,747.28
(c) Other Current Liabilities	10	3,035.37	1,648.50
(d) Short term provisions	11	77.60	120.81
Total Equity & Liabilities		43,871.19	34,878.50
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	1,750.97	738.02
(b) Non-current investments	13	216.88	160.92
(c) Long term loans and advances	14	36.46	56.51
(d) Other non-current assets	15	73.91	1,341.79
(2) Current Assets			
(a) Current Investments	16	26.32	-
(b) Inventories	17	19,794.74	14,159.14
(b) Trade receivables	18	15,189.06	13,326.37
(c) Cash and Bank Balances	19	3,194.28	1,490.08
(d) Short-term loans and advances	20	3,516.35	3,431.45
(f) Other current assets	21	72.21	174.22
Total Assets		43,871.19	34,878.50

Summary Of Significant accounting policies 2

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

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

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

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

(CA M.S.SHAH)

Partner
M.NO.:104640
Preeti Trivedi Director
Bhavesh H.Mehta Whole Time Director
Atul H.Mehta Chairman & Managing Director

PLACE : MUMBAI DATED: 29th May 2012



COMPUGATE INFOCOM LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012.

₹ IN LACS

	Note No.	31st March 2012	31st March 2011
I Revenue from operations	22	154444.05	131468.14
II Other Income	23	668.58	625.82
III. Total Revenue (I +II)		155112.63	132093.96
IV Expenses:			
Purchase of Stock-in-Trade	24	151719.61	129171.65
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	-5635.60	-3824.29
Employee Benefits Expense	26	1980.08	1709.19
Other Expenses	27	3465.78	2524.65
Total Expenses (IV)		151529.87	129581.21
V Earnings before interest,tax,depreciation and amortisation (EBITDA) (III - IV)		3582.76	2512.76
Finance Costs	28	1895.67	1103.18
Depreciation	29	167.44	117.69
Profit Before Tax		1519.65	1291.90
VI Tax expense:			
(1) Current tax		475.00	375.00
(2) Deferred tax		23.88	49.62
VII Profit/(Loss) for the period from continuing operations (V-VI)		1020.77	867.27
VIII Earning per equity share:			
(1) Basic		15.34	16.74
(2) Diluted		15.34	16.74

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

As per Report of even date attached.

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

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

(CA M.S.SHAH)

Partner
M.NO.:104640
Preeti Trivedi Director
Bhavesh H.Mehta Whole Time Director
Atul H.Mehta Chairman & Managing Director

PLACE : MUMBAI DATED: 29th May 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2012**

Cash Flow Statement for the year ended as at 31st March 2012 ₹ IN LACS

	31st March 2012	31st March 2011
A. Cash Flows from operating activities		
Net Profit Before Tax & Extraordinary items	1519.65	1291.89
Adjustment for:		
Depreciation	167.44	117.69
Loss/(profit) on sale of Fixed Assets	-0.37	0
Unrealised foreign exchange gain	-6.28	0
Interest paid	1895.67	1103.18
Interest received	-507.25	-198.13
Operating profit before Working Capital changes	3,068.86	2,314.63
Increase /(Decrease) in Long term provisions	9.50	
Increase /(Decrease) in Trade payables	-1,534.04	
Increase /(Decrease) in other Current Liabilities	1386.89	5872.84
Increase /(Decrease) in short term provisions	-43.21	-224.99
Decrease/(Increase) in Inventories	-5,635.60	-3824.29
Decrease/(Increase) in Trade Receivables	-1,862.69	-3765.94
Decrease/(Increase) in short term Loans & Advances	-84.90	-1501.06
Decrease/(Increase) in other current assets	102.01	
Decrease/(Increase) in Long term Loans & Advances	20.05	
Decrease/(Increase) in Non current assets	1267.88	
Total	-6,374.11	-3,443.44
Income Tax	-475.00	0
Net Cash Inflow/(Outflow)		
from operating activities.....	-3,780.25	-1,128.81
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	-1,182.21	-449.45
Sale of fixed Assets	2.18	
Purchase of non-current investments	-76.00	0.35
Interest received	507.25	198.13
Net Cash Inflow/(Outflow)	-748.78	-250.97
from Investing activities.....		
C. Cash Flows from Financing Activities		
Proceeds from Long term borrowings	366.03	1864.86
Proceeds from Short term borrowings	6,717.30	1345.59
Issue of shares(Including premium)	1200.79	
Interest paid	-1895.67	-1103.18
Dividend & Dividend tax paid	-155.21	-121.21
Misc. Expenditure to the extent written off	-	-123.05
Net Cash Inflow/(Outflow)	6,233.24	1,863.01
from Financing activities.....		
Net Increase/(Decrease)	1,704.21	483.23
in cash and cash Equivalents.....		
Cash and cash Equivalents as at beginning of the year	1490.08	2348.64
Cash and cash Equivalents as at end of the year	3194.29	2,831.87
	1704.21	483.23

We have examined the above cash Flow statement of Compugate Infocom Ltd for the year ended March 31, 2012.

As per report of even date attached

For **B.V.DALAL & Co.**
Firm Reg. No. : 114214W
CHARTERED ACCOUNTANTSFor and on behalf of the Board of Directors
For **COMPUGATE INFOCOM LIMITED****(CA M.S.SHAH)**Partner
M.NO.:104640**Preeti Trivedi**
Director**Bhavesh H.Mehta**
Whole Time Director**Atul H.Mehta**
Chairman & Managing DirectorPLACE : **MUMBAI** DATED: **29th May 2012****Summary of Significant accounting policies to Financial statements for the year ended 31st MARCH, 2012****Note 1: Corporate Information**

Compugate 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 Mumbai stock exchange.

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

Notes 2: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012**1. Significant Accounting Policies:****a. Basis of Preparation:**

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

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

b. Presentation and disclosure of financial statements:

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current 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 capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



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

e. Depreciation on tangible fixed assets:

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

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

f. Lease:

Where the company is Lessee

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

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

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

g. Borrowing costs:

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

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



h. Revenue Recognition:

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

Sale of Goods:

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

Income from Service:

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

Interest:

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

i. Foreign Currency Transaction:

Foreign currency transactions and balances.

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

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.

The Company had invested in 8000 Equity shares of Adit E-Commerce Pvt.Ltd.in the Financial year 2009-10 at a price of Rs.26.32 Lacs. As a result of this acquisition, Adit E-Commerce Pvt. Ltd. became a subsidiary of the company and accordingly, this amount was stated under the head Non-Current Investments in subsidiary companies in the balance sheet as at 31.3.2011. Adit E-Commerce Pvt Ltd. has incurred substantial losses and its net worth as per the books has been eroded. However, the company has not made a provision for diminution in value of this investment as it is expecting to recover its investment by sale of Intangible Assets in the form of Intellectual Property Rights, which are owned by Adit E- Commerce Pvt. Ltd. Accordingly, the investment has been reclassified under the head Current Investments in Subsidiary companies in the current balance sheet.



k. Inventories:

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

l. Retirement and other employee benefits:

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

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

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

m. Income Taxes:

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

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

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

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

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

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



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

n. Cash and cash equivalents:

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

o. Impairment:

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

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

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

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

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2012 is RS.31244.10 Lacs (Previous year Rs. 50637.85 Lacs).

Expenditure in Foreign currency: (Rs.in Lacs)	(Current period)	(Previous Year)
Traveling	1.98	Nil
Nil		
Interest	Nil	1.56
Earning in Foreign currency: (Rs.in Lacs)		
Mercantile Trade	Nil	77.52



COMPUAGE INFOCOM LTD.

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)	Ajay H.Mehta	Brother of Atul H.Mehta
3)	Bhavesh H.Mehta	Whole time Director
4)	Falguni A.Mehta	Wife of Atul H.Mehta
5)	Manisha A.Mehta	Sister in law of Atul H.Mehta
6)	Forum B.Mehta	Wife of Bhavesh H.Mehta
7)	Vanita H.Mehta	Mother of Atul H.Mehta
8)	Karishma A.Mehta	Daughter of Atul H.Mehta
9)	Yash A.Mehta	Son of Atul H.Mehta
10)	Adity A.Mehta	Nephew of Atul H.Mehta
11)	Chandulal P. Mehta	Uncle of Atul H.Mehta

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

- 1) Trillizo Holdings Limited
- 2) Greenvision Technologies Pvt. Ltd.
- 3) Compuage Infocom (S) PTE. Ltd.
- 4) Adit E Commerce Pvt. Ltd.

Transactions with related parties: (Rs. in Lacs)

Particulars	Current Year	Previous Year
Interest Paid to:		
Atul H.Mehta	Rs. 6.52	Rs. 6.33
Bhavesh H.Mehta	Rs. 6.91	Rs. 6.07
Chandulal P.Mehta	Rs. 1.19	Rs. 1.19
Greenvision Technologies P.L	Rs. 4.44	Rs. 3.78
Ajay H.Mehta	Nil	Rs. 10.98
Interest Recd. From:		
Greenvision Technologies P.L	Rs. 59.28	Rs. 14.70
Adit E-Commerce P.L	Nil	Rs. 6.41



COMPUAGE INFOCOM LTD.

Remuneration Paid to:

Atul H.Mehta	Rs. 85.50	Rs. 60.00
Bhavesh H.Mehta	Rs. 85.50	Rs. 48.00
Manisha Mehta	Rs. 4.80	Nil

Purchases of Goods from:

Greenvision Technologies P.L	Rs. 1561.34	Rs.1719.12
Adit E-Commerce P.L	Rs. 3.19	Rs. 1.45

Sales of Goods to:

Greenvision Technologies P.L	Rs. 954.90	Rs. 368.66
Adit E-Commerce P.L	Rs. 0.04	Rs. 5.77
Compuage S.Pte.Ltd	Rs. 30.51	Rs. 112.83
Rent Received from Greenvision Technologies Pvt.Ltd.	Rs. 6.79	Rs. 3.84
Installation/Warranty Charges Received from Greenvision Technologies Pvt.Ltd.	Rs. 3.85	Rs. 4.91

Outstanding receivables:

Greenvision Technologies P.L	Rs. 495.97	Rs. 318.48
Adit E-Commerce P.L	Rs. 21.36	Rs. 57.20
Compuage S.Pte.Ltd	Rs. 106.85	Rs. 178.40
Trillizo Holdings P.L	Rs. 138.00	Rs. 138.00

Outstanding payables:

Atul H.Mehta	Rs. 103.00	Rs. 156.16
Bhavesh H.Mehta	Rs. 103.00	Rs. 165.40
Ajay H.Mehta	Rs. 75.00	Nil
Falguni A.Mehta	Rs. 25.00	Nil
Manisha A.Mehta	Rs. 25.00	Nil
Forum B.Mehta	Rs. 25.00	Nil
Vanita H.Mehta	Rs. 25.00	Nil
Karishma A.Mehta	Rs. 25.00	Nil
Aditya A.Mehta	Rs. 25.00	Nil
Yash A.Mehta	Rs. 25.00	Nil
Chandulal P.Mehta	Rs. 9.50	Rs. 9.50
Greenvision Technologies P.L	Rs. 6.87	Nil
Adit E-Commerce P.L	Rs. 4.37	Rs. 0.05

**Segment reporting:**

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

Earning Per Share.

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

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

Measurement of EBITDA:

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

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
For **COMPUAGE INFOCOM LIMITED**

(CA M.S.SHAH)

Partner
M.NO.:104640

Preeti Trivedi
Director

Bhavesh H.Mehta
Whole Time Director

Atul H.Mehta
Chairman & Managing Director

PLACE : **MUMBAI**

DATED: **29th May 2012**

Shilpa Singh
Company Secretary

**Notes to Financial statements for the year ended 31st MARCH, 2012****Note 3 : Share Capital****(₹ In Lakhs)**

Particulars	31st March 2012	31st March 2011
AUTHORIZED		
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
	2,267.00	2,267.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
6655000 Equity shares of Rs.10 each fully paid	665.50	518.00
(Previous year 5180000 Equity Shares of Rs.10 each fully paid)		-
Total in ₹	665.50	518.00

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

	31st March 2012		31st March 2011	
	No. in Lacs	₹ In Lacs	No. in Lacs	₹ In Lacs
At the beginning of the Period	51.80	518.00	51.80	518.00
Issued during the period	14.75	147.50	-	-
Outstanding at the end of the period	66.55	665.50	51.80	518.00

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.

During the year ended 31st March 2012, Interim Dividend of Rs.1 per Share has been distributed to Equity Share holders and final Dividend of Rs.1/= per share has been proposed by the Board of Directors is subject to approval of share holders in the ensuing Annual General meeting.

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

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

	31st March 2012		31st March 2011	
	No. in Shares	% of holding	No. in Shares	% of holding
Equity shares of Rs.10 each fully paid up	In Lacs		In Lacs	
ATUL HARKISHANDAS MEHTA	17.83	26.75%	12.83	24.77%
BHAVESH HARKISHANDAS MEHTA	17.83	26.75%	12.83	24.77%
AJAY HARKISHANDAS MEHTA	9.53	14.33%	9.53	18.39%

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.



COMPUGATE INFOCOM LTD.

Notes to Financial statements for the year ended 31st MARCH, 2012

Note 4 : Reserve & Surplus (₹ In Lakhs)

Sr. No	Particulars	31st March 2012	31st March 2011
1	Capital Reserve		
	Opening balance	Nil	
	Add : Forfeiture of 8,05,000 Equity Warrants@ Rs.16.75 each.	134.84	
	Closing balance	134.84	
2	Capital Redemption Reserve	129.72	129.72
3	Share premium		
	Opening balance		
	Add : Premium on issue of Equity Shares	1,219.95	
	Closing balance	1,219.95	
4	General Reserve	102.00	102.00
5	Surplus/(Deficit) in the statement of profit & Loss		
	Balance as per last financial statements	2,173.78	1,427.32
	Add: Profit for the year	1,020.77	867.27
	Less: Appropriations:		
	Interim Dividend amount Rs.1 per share (31st March 2011:Rs.Nil)	-66.55	
	Tax on Interim dividend	-11.05	
	Proposed final equity dividend amount per share Rs.1/- (31st March 2011:Rs.2)	-66.55	-103.60
	Tax on proposed dividend	-11.05	-17.21
		3,039.35	2,173.78
	Total in ₹ (1+2+3+4+5)	4,625.86	2,405.50

Note : 5 Long Term Borrowings

Sr. No	Particulars	31st March 2012	31st March 2011
	Term Loans		
	Indian rupee loan from Bank (Secured)	1,187.57	748.40
	Other Loans and Advances:		
	Finance Lease(Secured)	18.73	2.67
	ECB Loan(Unsecured)	-	89.20
	Total in ₹	1,206.30	840.27

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

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



COMPUGATE INFOCOM LTD.

Notes to Financial statements for the year ended 31st MARCH, 2012

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

Sr. No	Particulars	31st March 2012	31st March 2011
1	Difference in Book & Income Tax Depreciation Under IT Act 1961	343.02	279.09
2	Total Timing Difference	343.02	279.09
	Total in ₹	116.59	92.71

Note : 7 Long term provisions

Sr. No	Particulars	31st March 2012	31st March 2011
1	Provisions for Gratuity	9.50	-
	Total in ₹	9.50	-

Note : 8 Short Term Borrowings

Sr. No	Particulars	31st March 2012	31st March 2011
1	Cash credit from bank (secured)-net of debit balances	13,388.43	6,596.84
2	Loans & Advances From Related Parties Repayable on Demand (Unsecured)	465.50	331.06
3	Loans & Advances From Others Repayable on Demand (Unsecured)	5,067.30	5,276.03
	Total in ₹	18,921.23	12,203.93

Cash credit from banks is secured against hypothecation of Stocks & Book Debts. The cash credit is repayable on demand and carries interest @ 11.75% to 14% .

Note : 9 Trades Payable

Sr. No	Particulars	31st March 2012	31st March 2011
1	Dues to Micro,small & Medium Enterprises	-	-
2	Others(Net of Advances)	15,213.24	16,747.28
	Total in ₹	15,213.24	16,747.28

Note : 10 Other Current Liabilities

Sr. No	Particulars	31st March 2012	31st March 2011
1	Current maturities of Long Term Debt	407.81	151.44
2	Interest Accrued and due on Borrowings		
	Others		
	TDS payable	126.06	442.38
	Unpaid Dividend	7.91	3.09
	Other payable	2,493.59	1,051.59
	Total in ₹	3,035.37	1,648.50



Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 11 Short term provisions			
Sr. No	Particulars	31st March 2012	31st March 2011
1	Proposed Equity Dividend	66.55	103.60
2	Provision for Tax on proposed Equity Dividend	11.05	17.21
Total in ₹		77.60	120.81

Note : 12 Tangible/Intangible Assets

Particulars	Gross Block			Depreciation		Net Block	
	Value at the beginning	Addition during the year	Disposals during the year	Value at the beginning	Charged during the year	Value at the end	WDV as on the end
Office Premises	19.78	489.49	-	2.87	0.99	3.86	505.42
Information Technology Equipments	793.99	48.43	-	391.82	131.86	523.68	318.74
Vehicles	59.29	38.86	9.48	24.04	5.97	22.33	66.34
Office Equipment	143.62	136.75	-	26.77	9.99	36.76	243.58
Furniture & Fixture	219.27	468.68	-	52.44	18.63	71.07	616.89
Total	1,235.95	1,182.21	9.48	2,408.66	167.44	657.70	1,750.97
Previous Year	786.47	449.45	-	380.2	117.69	497.89	738.02

Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 13 Non Current Investment	(₹ In Lakhs)	
	31st March 2012	31st March 2011
Particulars		
Non-Trade Investments(Unquoted)		
Investment in Equity Instrument		
46666 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of Rs 30 Each.	14.00	14.00
Trade Investments(Unquoted)		
Investments in Subsidiaries		
7,60,000, Equity Shares of Greenvision Technologies Pvt.Ltd.	152.00	76.00
1,50,000, Ordinary Shares of Compuage Infocom Pte.Ltd-Singapore	50.88	44.60
8000, Equity Shares of Adit Ecommerce Pvt.Ltd.	0.00	26.32
Total in ₹	216.88	160.92

Note : 14 Long Term Loans and Advances

Particulars	31st March 2012	31st March 2011
Security Deposit		
a)Unsecured Considered Good	36.46	56.51
Total in ₹	36.46	56.51

Note : 15 Other Non Current Assets

Particulars	31st March 2012	31st March 2011
Non-Current Bank Balances	73.91	1341.79
Total in ₹	73.91	1341.79

Note : 16 Current Investments

Particulars	31st March 2012	31st March 2011
8000, Equity Shares of Adit Ecommerce Pvt.Ltd.	26.32	0.00
Total in ₹	26.32	0.00

Note : 17 Inventories

Particulars	31st March 2012	31st March 2011
Stock-in-Trade (Valued at lower of cost and Net realisable value) (As taken, valued and certified by a Director)	19794.74	14159.14
Total in ₹	19794.74	14159.14



COMPUGATE INFOCOM LTD.

Notes to Financial statements for the year ended 31st MARCH, 2012
(₹ In Lakhs)

Particulars	31st March 2012	31st March 2011
Details of Stock-in-trade		
Computer Components	7,821.82	4,852.52
Computer Softwares	908.17	813.18
Telecom products	535.81	298.19
Others	10,528.94	8,195.25
Total in ₹	19794.74	14159.14

Note : 18 Trade Receivables

Particulars	31st March 2012	31st March 2011
Unsecured considered good unless otherwise stated Outstanding for more than six months from the date they are due for payment		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :	62.99	130.30
Others		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :	15126.07	13196.07
Total in ₹	15189.06	13326.37

Note : 19 Cash & Bank balances.

Particulars	31st March 2012	31st March 2011
Cash and Cash Equivalents		
Balances with banks:		
On Current Accounts	26.00	36.78
In Unpaid Dividend Account	7.91	3.09
Cash On Hand	12.00	7.94
Margin Money Deposits	734.90	535.37
Sub Total(1)	780.81	583.18
Other Bank Balances		
Deposits with Original maturity for more than 12 months	73.91	1341.79
Deposits with Original maturity for more than 3 months but less than 12 months	2413.47	906.90
Sub Total(2)	2487.38	2248.69
Amount disclosed under Non-Current Assets	-73.91	-1341.79
Total [1+2]	3194.28	1490.08



COMPUGATE INFOCOM LTD.

Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 20 Short Terms Loans and Advances (₹ In Lakhs)

Particulars	31st March 2012	31st March 2011
Advances recoverable in cash & kind Loans and Advances to Subsidiaries (Unsecured considered good)	481.76	468.54
Loans and advances to others (Unsecured considered good)	2,136.97	2104.77
Others		
Loans and Advance to Employees	52.61	66.00
Advance income tax (Net of provision for Taxation)	354.34	191.86
SAD/VAT Receivable	490.66	600.28
Total in ₹	3516.35	3431.45

Note :21 Other Current Assets

Particulars	31st March 2012	31st March 2011
Unamortised expenses		
(i) Micellaneous exps. (To the extent not written off)	0.00	123.05
Accruals		
(i) Interest accrued on deposits	72.21	51.17
Total in ₹	72.21	174.22

Note : 22 Revenue from Operations

Particulars	31st March 2012	31st March 2011
Sales of products		
Traded goods	154353.36	131407.21
Sale of services	90.69	60.93
Total in ₹	154444.05	131468.14
Particulars	31st March 2012	31st March 2011
Details of Product Sold.		
Traded goods sold		
Computer Components	70,232.65	63,284.47
Computer Softwares	15,160.02	10,932.83
Telecom products	14,640.73	917.05
Others	54,319.97	56,272.86
Total in ₹	154353.36	131407.21
Details Of Service rendered		
(i)Product Support Services	90.69	60.93
Total in ₹	90.69	60.93



COMPUGATE INFOCOM LTD.

Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 23 Other Income (₹ In Lakhs)

Particulars	31st March 2012	31st March 2011
Interest income on Bank deposits	350.36	198.13
Others	156.89	99.14
Foreign Exchange gain(Net)	159.38	327.93
Other Income	1.95	0.62
Total in ₹	668.58	625.82

Note : 24 Details of purchase of Traded goods/services

Particulars	31st March 2012	31st March 2011
Computer Components	68,368.14	61,114.74
Computer Softwares	14,751.04	10,770.07
Telecom products	14,450.35	884.16
Others	54,150.08	56,402.68
Total in ₹	151719.61	129171.65

Note : 25 (Increase)/decrease in Inventories

Particulars	31st March 2012	31st March 2011
Inventories at the end of the year		
Traded goods	19794.74	14159.14
Inventories at the beginning of the year		
Traded goods	14159.14	10334.85
Total in ₹	-5,635.60	-3824.29

Note : 26 Employment Benefit Expenses

Particulars	31st March 2012	31st March 2011
Salaries & Bonus	1862.67	1617.28
Contribution to provident and other fund	30.98	29.40
Gratuity	9.52	0.00
Staff Welfare	76.91	62.51
Total in ₹	1980.08	1709.19

Note : 27 Other Expenses

Particulars	31st March 2012	31st March 2011
Rent and compensation	566.13	461.89
Power & Fuel	46.16	42.88
Insurance	60.59	47.11
Payment to Auditor-(Refer details below)	10.00	7.50
Rates & Taxes	0.55	0.22
Loss on Sale of Assets	0.53	-
Miscellaneous expenses	2781.82	1,965.06
Total in ₹	3465.78	2524.65



COMPUGATE INFOCOM LTD.

Notes to Financial statements for the year ended 31st MARCH, 2012

Payment to Auditor (₹ In Lakhs)

Particulars	31st March 2012	31st March 2011
Audit fees	4.00	3.00
Taxation Matters	4.00	3.00
Other services	2.00	1.50
Total in ₹	10.00	7.50

Note :28 Financial Cost

Particulars	31st March 2012	31st March 2011
Interest	1895.67	1103.18
Total in ₹	1895.67	1103.18

Note : 29 Depreciation & Amortised Cost

Particulars	31st March 2012	31st March 2011
Depreciation on tangible Assets	167.44	117.69
Total in ₹	167.44	117.69



Statement under section 212 of the Companies Act 1956 for the financial year ended 2011-12.

(₹ In Lakhs)

Particulars/ Name of the Subsidiary Company	Greenvision Technologies Pvt. Ltd.	ADIT E-Commerce Pvt. Ltd.	Compuage Infocom (S) Pte. Ltd.
Closing Exchange Rate against INR			USD1\$=50.88 INR (As on 31/03/2012)
Capital	200.00	1.00	50.88
Reserves(incl.bal in p&l a/c)	22.52	-40.33	-43.79
Total Assets(incl. investment)	1307.81	19.84	307.84
Total Liabilities	1085.29	59.17	307.04
Investments (except incase of investments in subsidairy)	13.13	0.00	0.00
Turnover (jncl.other inc.)	2723.13	175.09	3634.86
Profit/(loss) Before Tax	11.12	20.10	6.23
Provision For Tax	2.70	2.94	0.00
Profit/(loss) After Tax	7.07	-0.82	6.23
Proposed Dividend	0.00	0.00	0.00

Note:

The Company has been granted exemption by the Ministry of Corporate Affairs from attaching to its Balance sheet, the Individual Annual Reports of its subsidiary Companies vide its. General Circular No: 2 /2011 and General Circular No: 3/2011 dated Feb 8, 2011 and Feb 21, 2011 respectively. As per the terms of the Circular, a statement containing the brief financial details of the Companies Subsidiaries for the year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the Registered Offices of the respective subsidiary Companies.

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

Preeti Trivedi
Director

Bhavesh H.Mehta
Whole Time Director

Atul H.Mehta
Chairman & Managing Director

PLACE : **MUMBAI**DATED : **29th May 2012**



AUDITORS REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMPUAGE INFOCOM LTD.

1. We have audited the attached Consolidated Balance Sheet of 'Compuage Infocom Limited', and its subsidiaries (The CIL Group) as at 31st March, 2012, and also the consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the CIL Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the CIL Management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial statements with the notes appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For B. V. Dalal & Co.
Firm Reg No.: 114214W.
Chartered Accountants

CA M. S. Shah
Partner
Membership No. 104640
Mumbai, May 29, 2012

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012.**

(₹ In Lakhs)

	Note No.	31st March 2012	31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	665.50	518.00
(b) Reserves and Surplus	4	4,573.42	2,307.35
(c) Money received against Share Warrants			301.50
Minority Interest		40.69	18.87
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,230.94	840.27
(b) Deferred Tax Liabilities (Net)	6	120.79	77.90
(c) Long term Provisions	7	9.50	-
(3) Current Liabilities			
(a) Short-Term Borrowings	8	19,853.15	12,600.63
(b) Trade Payables	9	15,588.02	16,944.60
(c) Other Current Liabilities	10	3,113.54	1,702.74
(d) Short term provisions	11	77.60	120.81
Total Equity & Liabilities		45,273.15	35,432.68
II. ASSETS			
(1) Non-Current Assets			
Good will		36.79	36.79
(a) Fixed Assets			
(i) Tangible Assets	12	1,994.24	834.23
(ii) Intangible Assets	12	24.09	28.82
(iii) WIP		107.54	-
(b) Non-current investments	13	27.13	27.13
(c) Long term loans and advances	14	59.02	58.23
(d) Other non-current assets	15	76.53	1,349.94
(2) Current Assets			
(a) Inventories	16	20,657.58	14,647.20
(b) Trade receivables	17	15,535.87	13,553.17
(c) Cash and Bank Balances	18	3,342.59	1,615.42
(d) Short-term loans and advances	19	3,325.08	3,106.15
(e) Other current assets	20	86.68	175.59
Total Assets		45,273.15	35,432.68

Summary Of Significant accounting policies 2

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

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

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

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

(CA M.S.SHAH)

Partner **Preeti Trivedi** **Bhavesh H.Mehta** **Atul H.Mehta**
M.NO.:104640 Director Whole Time Director Chairman & Managing Director

PLACE : **MUMBAI** DATED: **29th May 2012****CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012.**

(₹ In Lakhs)

	Note No.	31st March 2012	31st March 2011
I Revenue from operations	21	159176.76	135258.39
II Other Income	22	599.13	637.50
III Total Revenue (I +II)		159775.89	135895.89
IV Expenses:			
Purchase of Stock-in-Trade	23	156195.45	132604.34
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	-5972.24	-3912.28
Employee Benefits Expense	25	2244.49	1883.07
Other Expenses	26	3653.25	2730.64
Total Expenses (IV)		156120.95	133305.77
V Earnings before interest,tax,depreciation and amortisation(EBITDA) (III - IV)		3654.94	2590.12
Finance Costs	27	1922.04	1185.49
Depreciation	28	180.65	126.87
Profit Before Tax		1552.25	1277.76
VI Tax expense:			
(1) Current tax		480.64	377.50
(2) Deferred tax		42.89	40.76
(3) Fringet Benefit Tax		0.32	
VII Profit/(Loss) for the period from continuing operations (V-VI)		1028.40	859.50
VIII Earning per equity share:			
(1) Basic		15.36	15.81
(2) Diluted		15.36	15.81

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

As per Report of even date attached.

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

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

(CA M.S.SHAH)

Partner **Preeti Trivedi** **Bhavesh H.Mehta** **Atul H.Mehta**
M.NO.:104640 Director Whole Time Director Chairman & Managing Director

PLACE : **MUMBAI** DATED: **29th May 2012**



COMPUAGE INFOCOM LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2012

Cash Flow Statement for the year ended as at 31st March 2012 (₹ In Lakhs)

	31st March 2012	31st March 2011
A. Cash Flows from operating activities		
Net Profit Before Tax & Extraordinary items	1552.24	1277.77
Adjustment for:		
Depreciation	180.65	126.87
Loss/(profit) on sale of Fixed Assets	-0.37	0
Interest paid	1922.04	1041.65
Interest received	-448.85	-174.96
Operating profit before Working Capital changes	3,205.71	2,271.33
Increase /(Decrease) in Long term provisions	9.50	
Increase /(Decrease) in Trade payables	-1,356.58	
Increase /(Decrease) in other Current Liabilities	1466.70	6009.49
Increase /(Decrease) in short term provisions	-43.21	
Decrease/(Increase) in Inventories	-6,010.38	-3912.32
Decrease/(Increase) in Trade Receivables	-1,982.70	-3944.95
Decrease/(Increase) in short term Loans & Advances	-218.93	-1242.57
Decrease/(Increase) in other current assets	88.91	
Decrease/(Increase) in Long term Loans & Advances	-0.79	
Decrease/(Increase) in Non current assets	1273.41	
Total	-6,774.07	-3,090.35
Income Tax	-480.96	-225
Net Cash Inflow/(Outflow) from operating activities...	-4,049.32	-1,044.02
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	-1,337.74	-518.75
Increase in capital work in progress	-107.54	
Sale of fixed Assets	2.18	
Interest received	448.85	174.96
Net Cash Inflow/(Outflow) from Investing activities....	-994.25	-343.79
C. Cash Flows from Financing Activities		
Proceeds from Long term borrowings	390.67	1855.8
Proceeds from Short term borrowings	7,252.52	1379.33
Issue of shares(Including premium)	1204.79	
Interest paid	-1922.04	-1041.65
Dividend & Dividend tax paid	-155.20	-121.21
Misc. Expenditure to the extent written off	-	-121.28
Net Cash Inflow/(Outflow) from Financing activities....	6,770.74	1,950.99
Net Increase/(Decrease) in cash and cash Equivalents...	1,727.17	563.20
Cash and cash Equivalents as at beginning of the year	1615.42	2402.15
Cash and cash Equivalents as at end of the year	3342.59	2,965.35
	1,727.17	563.20

We have examined the above cash Flow statement of Compuage Infocom Ltd for the year ended March 31, 2012.

As per report of even date attached

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

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

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

Partner **Preeti Trivedi** **Bhavesh H.Mehta** **Atul H.Mehta**
M.NO.:104640 Director Whole Time Director Chairman & Managing Director

PLACE : **MUMBAI** DATED: **29th May 2012**



COMPUAGE INFOCOM LTD.

COMPUAGE INFOCOM LIMITED

Summary of Significant accounting policies to Financial statements for the year ended 31st MARCH, 2012

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 Mumbai stock exchange.

The Company has two majority owned and controlled subsidiaries, Greenvision Technologies Pvt. Limited and Adit E-Commerce Pvt. Ltd. and 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, Telecom and Power Products. The Group also provides products support services for Information Technology products and Installation and annual maintenance services for power products.

Notes 2: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

1. Significant Accounting Policies:

a. Basis of Preparation:

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

b.	Name of the Company	Percentage Holding
1.	Greenvision Technologies Pvt. Ltd. (incorporated in India)	76%
2.	Compuage Infocom (S).Pte. Ltd. (incorporated in Singapore)	100%
3.	Adit Ecommerce Pvt. Ltd. (incorporated in India)	80%

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

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

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



The excess of cost on Investment in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognized in the financial 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, except for the change in accounting policy explained below.

c. Presentation and disclosure of financial statements:

During the year ended 31 March 2102, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

d. 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.

e. Tangible Fixed Assets:

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

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

f. Depreciation on tangible fixed assets:

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

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



In case of Compuage Infocom (S) Pte. Ltd., depreciation is calculated on the straight line method so as to write off the cost of the plant and equipment over their estimated useful lives. The annual rates used for this purpose are -

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

g. Lease:

Where the company is Lessee

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

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

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

h. Borrowing costs:

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

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

i. Revenue Recognition:

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

Sale of Goods:

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



Income from Service:

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

Interest:

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

j. Foreign currency Translation

Foreign currency transactions and balances.

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

k. 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.

l. Inventories:

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

Saleable scrap is accounted for as and when sold.

m. 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.

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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

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

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

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

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

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

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 recognized wherever the carrying amount of an asset exceeds its estimated recoverable



amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss, if any is further provided or reversed depending on changes in circumstances.

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

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

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

Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2012 is RS.31557.56 Lacs (Previous year Rs. 50876.80 Lacs).

Expenditure in Foreign currency: (Rs.in Lacs)	(Current period)	(Previous Year)
Traveling	1.98	0.64
Interest	Nil	1.56

Earning in Foreign currency: (Rs.in Lacs)

Mercantile Trade	NIL	77.52 Lacs
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Related Party Information:**A. Directors & their relatives:****(Related to Interest on Loans given to the Company Etc.)**

Sr.No.	Name	Relation
1)	Atul H.Mehta	Chairman and Managing Director
2)	Ajay H.Mehta	Brother of Atul H.Mehta
3)	Bhavesh H.Mehta	Whole Time Director
4)	Falguni A.Mehta	Wife of Atul H.Mehta
5)	Manisha A.Mehta	Sister in Law of Atul H.Mehta
6)	Forum B.Mehta	Wife of Bhavesh Mehta
7)	Vanita H.Mehta	Mother of Atul H.Mehta
8)	Karishma A.Mehta	Daughter of Atul H.Mehta
9)	Yash A.Mehta	Son of Atul H.Mehta
10)	Adity A.Mehta	Nephew of Atul H.Mehta
11)	Chandulal P. Mehta	Uncle of Atul H.Mehta
12)	Biju Bruno	Director
13)	Bhavesh Gandhi	Director
14)	Tarun Gandhi	Director

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

- 1) Trillizo Holdings Limited
- 2) Active Infocom

Transactions with related parties: (Rs. in Lacs)

Particulars	Current Year	Previous Year
Interest Paid to		
Atul H.Mehta	Rs. 9.45	Rs. 13.83
Bhavesh Mehta	Rs. 6.91	Rs. 6.07
Chandulal P.Mehta	Rs. 1.19	Rs. 1.19
Ajay Mehta	Nil	Rs. 10.98
Remuneration Paid to		
Atul H.Mehta	Rs. 85.50	Rs. 60.00
Bhavesh Mehta	Rs. 85.50	Rs. 48.00
Manisha A.Mehta	Rs. 4.80	Nil
Biju Bruno	Rs. 36.00	Rs. 21.20
Bhavesh Gandhi	Rs. 9.00	Rs. 9.00
Tarun Gandhi	Rs. 9.00	Rs. 9.00
Rent Paid to Trillizo Holdings Limited	Rs. 9.00	Rs. 9.00
Web Development Charges paid to Active Infocom	Nil	Rs. 6.25
Outstanding Recivables from Trillizo Holdings Limited	Rs.138.00	Rs.138.00
Outstanding Loans payables		
Atul H.Mehta	Rs.103.00	Rs.206.72
Bhavesh Mehta	Rs.103.00	Rs.165.40
Chandulala Mehta	Rs. 9.50	Rs. 9.50
Ajay Mehta	Rs. 75.00	Nil
Manisha A.Mehta	Rs. 25.00	Nil
Falguni Mehta	Rs. 25.00	Nil
Forum Mehta	Rs. 25.00	Nil
VanitaMehta	Rs. 25.00	Nil
Karishma Mehta	Rs. 25.00	Nil
Aditya Mehta	Rs. 25.00	Nil
Yash Mehta	Rs. 25.00	Nil
Outstanding Rent payables to Trillizo Holdings Limited	Rs. 3.76	Rs. 0.75
Outstanding salary payables		
Bhavesh Gandhi	Rs. 9.00	Rs. 1.54
Tarun Gandhi	Rs. 9.00	Nil

**Segment reporting:**

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

Earning Per Share.

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

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

Measurement of EBITDA:

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

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
For **COMPUGATE INFOCOM LIMITED**

(CA M.S.SHAH)

Partner
M.NO.:104640

Preeti Trivedi
Director

Bhavesh H.Mehta
Whole Time Director

Atul H.Mehta
Chairman & Managing Director

PLACE : **MUMBAI**

DATED: **29th May 2012**

Shilpa Singh
Company Secretary

**Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012****Note 3 : Share Capital** (₹ In Lakhs)

Particulars	31st March 2012	31st March 2011
AUTHORIZED		
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
	2,267.00	2,267.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
6655000 Equity shares of Rs.10 each fully paid	665.50	518.00
(Previous year 5180000 Equity Shares of Rs.10 each fully paid)		-
Total in ₹	665.50	518.00

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

	31st March 2012		31st March 2011	
	No. in Lacs	₹ In Lacs	No. in Lacs	₹ In Lacs
At the beginning of the Period	51.80	518.00	51.80	518.00
Issued during the period	14.75	147.50	-	-
Outstanding at the end of the period	66.55	665.50	51.80	518.00

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.

During the year ended 31st March 2012, Interim Dividend of Rs.1/- per Share has been distributed to Equity Share holders and final Dividend of Rs.1/- per share has been proposed by the Board of Directors is subject to approval of share holders in the ensuing Annual General meeting.

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



COMPUAGE INFOCOM LTD.

Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012

Note 4 : Reserve & Surplus (₹ In Lakhs)

Sr. No	Particulars	31st March 2012	31st March 2011
Capital Reserve			
	Opening balance	-	-
	Add : Forfeiture of 8,05,000 Equity Warrants@ Rs.16.75 each	134.84	-
	Closing balance	134.84	-
Capital Redemption Reserve			
		129.72	129.72
Share premium			
	Opening balance	-	-
	Add : Premium on issue of Equity Shares	1,223.95	-
	Closing balance	1,223.95	-
General Reserve			
		102.00	102.00
Surplus/(Deficit) in the statement of profit & Loss			
	Balance as per last financial statements	2,116.08	1,377.37
	Add: Profit for the year	1,028.40	859.51
	Less: Appropriations:	-	-
	Interim Dividend amount Rs.1 per share (31st March:Rs.Nil)	-66.55	-
	Tax on Interim dividend	-11.05	-
	Proposed final equity dividend amount per share Rs.1 (31st March 2011:Rs.2)	-66.55	-103.60
	Tax on proposed dividend	-11.05	-17.21
	Less:Minority interest	-1.53	2.51
	Less: Unrealised profit	-4.83	-42.95
		2,982.91	2,307.35
Total in ₹ (1+2+3+4+5)		4,573.42	2,307.35

Note : 5 Long Term Borrowings

Sr. No	Particulars	31st March 2012	31st March 2011
Term Loans			
	Indian rupee loan from Bank (Secured)	1,212.21	748.40
Other Loans and Advances:			
	Finance Lease(Secured)	18.73	2.67
	ECB Loan(Unsecured)	-	89.20
		-	-
Total in ₹		1,230.94	840.27

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

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



COMPUAGE INFOCOM LTD.

Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012

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

Sr. No	Particulars	31st March 2012	31st March 2011
Difference in Book & Income Tax Deoreciation			
	Under IT Act 1961	356.62	287.40
	Loss Carried forward under IT Act,1961		-58.09
	Total Timing Difference	356.62	229.31
Total in ₹		120.79	77.90

Note : 7 Long term provisions

Sr. No	Particulars	31st March 2012	31st March 2011
	Provisions for Gratuity	9.50	-
Total in ₹		9.50	-

Note : 8 Short Term Borrowings

Sr. No	Particulars	31st March 2012	31st March 2011
Cash credit from bank (secured)-net of debit balances			
	Loans & Advances From Related Parties Repayable on Demand (Unsecured)	14,320.35	6,943.59
	Loans & Advances From Others Repayable on Demand (Unsecured)	465.50	381.01
		5,067.30	5,276.03
Total in ₹		19,853.15	12,600.63

Cash credit from banks is secured against hypothecation of Stocks & Book Debts. The cash credit is repayable on demand and carries interest @ 12.5% .

Note : 9 Trades Payable

Sr. No	Particulars	31st March 2012	31st March 2011
Dues to Micro,small & Medium Enterprises			
	Others(Net of Advances)	15,588.02	16,944.60
Total in ₹		15,588.02	16,944.60

Note : 10 Other Current Liabilities

Sr. No	Particulars	31st March 2012	31st March 2011
Current maturities of Long Term Debt			
	Interest Accrued and due on Borrowings	410.55	151.44
		14.50	2.07
Others			
	Vat payable	7.53	10.46
	TDS payable	132.72	447.42
	Unpaid Dividend	7.91	3.09
	Other payable	2,540.32	1,088.26
Total in ₹		3,113.54	1,702.74



Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 11 Short term provisions

Sr. No	Particulars	31st March 2012	31st March 2011
1	Proposed Equity Dividend	66.55	103.60
2	Provision for Tax on proposed Equity Dividend	11.05	17.21
Total in ₹		77.60	120.81

Note : 12 Tangible/Intangible Assets (₹ In Lakhs)

Particulars	Value at the beginning	Addition during the year	Gross Block Disposals during the year	Borrowing Cost Capitalized	Value at the end	Value at the beginning	Disposal/Adjustment during the year	Net Block WDV as on 31.12.2012	Net Block WDV as on 31.03.2011
I Tangible Assets									
Land	52.70	128.29	-	25.51	206.50	2.87	0.99	206.50	52.70
Office	19.78	489.49	-	-	509.27	2.87	0.99	505.42	16.92
Premises Information Technology Equipments	812.63	46.83	-	-	859.46	397.70	135.56	327.39	414.93
Motor Vehicles	59.29	38.86	9.48	-	88.67	24.04	5.97	66.34	35.25
Office Equipment	149.84	139.04	-	-	288.88	27.97	11.00	250.00	121.87
Furniture & Fixture	250.85	488.29	-	-	719.14	58.31	22.41	638.58	192.54
Total (Current Year)	1345.09	1310.81	9.48	25.51	2671.93	510.88	175.92	1994.24	834.23
II Intangible Assets									
Goodwill	24.00	0.00	0.00	0.00	24.00	0.00	2.40	21.60	24.00
Intellectual Property Rights	8.10	-	-	-	8.10	4.06	2.02	2.02	4.04
Web Site	1.25	-	-	-	1.25	0.47	0.31	0.47	0.78
Total (Current Year)	33.35	0.00	0.00	0.00	33.35	4.53	4.73	24.09	28.82
Grand Total	1378.44	1310.81	9.48	25.51	2705.28	515.41	180.65	2018.33	863.05
Total (Previous Year)	835.73	518.76	0.00	-	1354.49	388.50	126.87	515.37	447.22



Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 13 Non Current Investment (₹ In Lakhs)

Particulars	31st March 2012	31st March 2011
Non-Trade Investments(Unquoted)		
Investment in Equity Instrument		
90416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of Rs 30 Each.	27.13	27.13
Total in ₹	27.13	27.13

Note : 14 Long Term Loans and Advances

Particulars	31st March 2012	31st March 2011
Security Deposit		
a)Unsecured Considered Good	59.02	58.23
Total in ₹	59.02	58.23

Note : 15 Other Non Current Assets

Particulars	31st March 2012	31st March 2011
Non-Current Bank Balances	76.53	1349.94
Total in ₹	76.53	1349.94

Note : 16 Inventories

Particulars	31st March 2012	31st March 2011
Stock-in-Trade (Valued at lower of cost and Net realisable value)	20662.41	14690.15
(As taken, valued and certified by a Director)		
Less: Unrealised profit on unsold stock	-4.83	-42.95
Total in ₹	20657.58	14647.20

Particulars	31st March 2012	31st March 2011
Details of Stock-in-trade		
Computer Components	8157.55	4,926.79
Computer Softwares	908.17	813.18
Telecom products	535.81	298.18
Others	11056.05	8,609.05
Total in ₹	20657.58	14647.20

**Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012****Note : 17 Trade Receivables (₹ In Lakhs)**

Particulars	31st March 2012	31st March 2011
Unsecured considered good unless otherwise stated		
Outstanding for more than six months from the date they are due for payment		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :	87.39	132.70
Others		
a) Secured, Considered Good :		
b) Unsecured, Considered Good :	15448.48	13420.47
c) Doubtfull		1.40
		13421.87
Less: Provision for doubtfull debt		-1.40
Total in ₹	15535.87	13553.17

Note : 18 Cash & Bank balances.

Particulars	31st March 2012	31st March 2011
Cash and Cash Equivalents		
Balances with banks:		
On Current Accounts	64.01	57.47
Cash On Hand	12.85	13.55
Margin Money Deposits	851.44	561.15
Sub Total(1)	928.30	632.17
Other Bank Balances		
Deposits with Original maturity for more than 12 months	76.53	1349.94
Deposits with Original maturity for more than 3 months but less than 12 months	2414.29	983.25
Sub Total(2)	2490.82	2333.19
Amount disclosed under Non-Current Assets	-76.53	-1349.94
Total [1+2]	3342.59	1615.42

**Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012****Note : 19 Short Terms Loans and Advances (₹ In Lakhs)**

Particulars	31st March 2012	31st March 2011
Advances recoverable in cash & kind		
Loans and advances to others (Unsecured considered good)	2405.41	2217.01
Others		
Loans and Advance to Employees	53.57	66.98
Advance income tax (Net of provision for Taxation)	363.11	205.04
SAD/VAT Receivable/Cenvat available	502.98	617.11
Total in ₹	3325.08	3106.15

Note : 20 Other Current Assets

Particulars	31st March 2012	31st March 2011
Unamortised expenses		
(i) Micellaneous exps. (To the extent not written off)	13.29	123.05
(ii) Preliminary exps (To the extent not written off)	1.18	1.37
Accruals		
(i) Interest accrued on deposits	72.21	51.17
Total in ₹	86.68	175.59

Note : 21 Revenue from Operations

Particulars	31st March 2012	31st March 2011
Sales of products		
Traded goods	159029.81	135,074.46
Sale of services	146.95	183.93
Total in ₹	159176.76	135258.39
Particulars	31st March 2012	31st March 2011
Details of Product Sold.		
Computer Components	70232.65	63284.47
Computer Softwares	15160.02	10932.83
Telecom products	14640.73	917.05
Others	58996.42	59940.11
Total in ₹	159029.81	135074.46
Details Of Service rendered		
(i) Product Support Services	90.69	60.93
(ii) Installation	32.59	116.12
(iii) AMC	4.39	3.25
(iv) Others	19.28	3.63
Total in ₹	146.95	183.93



COMPUAGE INFOCOM LTD.

Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012

Note : 22 Other Income		(₹ In Lakhs)	
Particulars	31st March 2012	31st March 2011	
Interest income on			
Bank deposits	352.34	199.32	
Others	96.51	99.14	
Other Income	2.73	8.26	
Foreign Exchange gain(Net)	147.55	330.78	
Total in ₹	599.13	637.50	

Note : 23 Details of purchase of Traded goods/services

Particulars	31st March 2012	31st March 2011
Computer Components	69,258.17	64,012.44
Computer Softwares	14,758.52	10,770.22
Telecom products	14,450.35	884.16
Others	57,728.40	56,937.52
Total in ₹	156195.45	132604.34

Note : 24 (Increase)/decrease in Inventories

Particulars	31st March 2012	31st March 2011
Inventories at the end of the year		
Traded goods	20662.41	14,690.15
Inventories at the beginning of the year	0.00	-
Traded goods	14690.17	10,777.87
Total in ₹	-5,972.24	-3912.28

Note : 25 Employment Benefit Expenses

Particulars	31st March 2012	31st March 2011
Salaries & Bonus	2115.83	1,789.79
Contribution to provident and other fund	40.44	29.40
Gratuity	9.52	-
Staff Welfare	78.70	63.88
Total in ₹	2244.49	1883.07

Note : 26 Other Expenses

Particulars	31st March 2012	31st March 2011
Rent and compensation	591.75	487.52
Power & Fuel	48.99	44.47
Insurance	63.39	48.06
Payment to Auditors-(Refer details below)	12.82	9.11
Rates & Taxes	3.19	1.44
Loss on Sale of Assets	0.53	-
Miscellaneous expenses	2932.58	2,140.04
Total in ₹	3653.25	2730.64



COMPUAGE INFOCOM LTD.

Consolidated Notes to Financial statements for the year ended 31st MARCH, 2012

Payment to Auditor		(₹ In Lakhs)	
Particulars	31st March 2012	31st March 2011	
Audit fees	6.82	4.61	
Taxation Matters	4.00	3.00	
Other services	2.00	1.50	
Total in ₹	12.82	9.11	

Note :27 Financial Cost

Particulars	31st March 2012	31st March 2011
Interest	1922.04	1,185.49
Total in ₹	1922.04	1185.49

Note : 28 Depreciation & Amortised Cost

Particulars	31st March 2012	31st March 2011
Depreciation on tangible Assets	180.65	126.87
Total in ₹	180.65	126.87