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BOOK POST

# COMPUAGE INFOCOM LTD.



*SPEED  
RELIABILITY  
VALUE PERFORMANCE*



If undelivered Please return to :  
**COMPUAGE INFOCOM LTD.**  
3. Dhuru Building, 1st Floor, 329,  
Vithalbhai Patel Road, Mumbai - 400 004.  
Tel : 2384 22 00/01/02/03/6588 1352 Fax : 2384 2210  
E-mail : info@compuageindia.com

## 12<sup>th</sup> Annual Report

### 2010-11



# COMPUAGE INFOCOM LTD.

## COMPUAGE INFOCOM LTD.

Twelvth Annual Report 2010-11

### 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, Aurangabad, Amritsar, Bangalore, Baroda, Bhubneshwar, Bhopal, Chandigarh, Chennai, Coimbtore, Cochin, Calicut, Dehradun, Delhi, Ghaziabad, Goa, Guwahati, Guragaon, Gorakhpur, Hyderabad, Hubli, Haldwani, Indore, Jaipur, Jammu, Jabalpur, Jodhpur, Kolkatta, Kottayam, Karnal, Lucknow, Ludhiana, Mumbai, Mangalore, Madurai, Nagpur, Nasik, Parwanoo, Patna, Pondicherry, 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. Barclays Bank
7. Indian Bank
8. Kotak Mahindra Bank
9. Central Bank of India
10. ING Vysya Bank

## COMPUAGE INFOCOM LIMITED

3, Dhuru Building, 1st Floor, 329 Vithalbai Patel Road, Mumbai - 400004.

### 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 Twelveth Annual General Meeting of the Company held on Friday, 29th July, 2011 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

3, Dhuru Building, 1st Floor, 329 Vithalbai Patel Road, Mumbai - 400004.

### 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 Friday, 29th July, 2011 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 \_\_\_\_\_ 2011.

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.



**NOTICE IS HEREBY GIVEN THAT THE 12TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMPUAGE INFOCOM LIMITED WILL BE HELD ON 29TH JULY, 2011 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, 2011 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company.
3. To appoint a Director in place of Ms. Preeti Trivedi who retires by rotation and being eligible, offers herself 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.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT**, pursuant to provisions of section 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the companies Act, 1956, and subject to such approvals, as may be necessary, the company hereby accords its consent and approval to the re- appointment of Mr. Atul Mehta, as Managing Director of the company, for a period of 3 years with effect from 8th September, 2011 to 7th September, 2014 on terms and conditions and the remuneration/emoluments (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) as mentioned in the Explanatory Statement under this Item."

**"RESOLVED FURTHER THAT** in the event of any statutory amendments, modification or relaxation by the central government to Schedules XIII to the Companies Act, 1956, the Board of Directors of the company (hereinafter referred to as 'Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by the resolution) be and is hereby authorized to vary and /or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit(s) or ceiling and the agreement between the company and Mr. Atul Mehta, Managing Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

**"RESOLVED FURTHER THAT** Mr. Vijay Agrawal, director of the company, or in his absence, any other independent director on the compensation committee of the Board, be and is hereby authorized, from time to time, to execute, on behalf of the company, any agreement(s) with the said Managing Director, containing the above and such other terms and conditions, as may be necessary pursuant to this resolution.



6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT**, pursuant to provisions of section 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the companies Act, 1956, and subject to such approvals, as may be necessary, the company hereby accords its consent and approval to the re- appointment of Mr. Bhavesh Mehta, as Whole time Director of the company, for a period of 3 years with effect from 18th October, 2011 to 17th October, 2014, on terms and conditions and the remuneration/emoluments (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) as mentioned in the Explanatory Statement under this Item."

**"RESOLVED FURTHER THAT** in the event of any statutory amendments, modification or relaxation by the central government to Schedules XIII to the Companies Act, 1956, the Board of Directors of the company (hereinafter referred to as 'Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by the resolution) be and is hereby authorized to vary and /or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit (s) or ceiling and the agreement between the company and Mr. Bhavesh Mehta, Whole time Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

**"RESOLVED FURTHER THAT** Mr. Vijay Agrawal, director of the company, or in his absence, any other independent director on the compensation committee of the Board, be and is hereby authorized, from time to time, to execute, on behalf of the company, any agreement (s) with the said Whole time Director, containing the above and such other terms and conditions, as may be necessary pursuant to this resolution.

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 (including the Statutory modification and re- enactment thereof from time being in force) the existing clause 114(b) of the Articles of Association of the Company be and is hereby altered and substituted by the following New clause 114 (b).

Old Clause 114(b).

The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or one of its Committees and unless the Board otherwise determines every deed or other instruments to which the Seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company, be signed by two directors at least in whose presence the Seal shall have been affixed, provided nevertheless that any instruments bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity in the affixture thereof.



New clause 114 (b).

The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board unless the Board otherwise determines every deed or other instruments to which the Seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company, be signed by any one director of the company and Company Secretary or any person authorized by the Board at least in whose presence the Seal shall have been affixed, provided nevertheless that any instruments bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity in the affixture thereof.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and hereby authorized to take all the necessary steps and action and give such directions as may be its absolute discretion deem necessary and settle any question that may arise in this regard.

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956, (including the statutory modification and re- enactment thereof from time being in force), the Articles of Association of the company be altered by adding a additional clause No. 63 as reproduces below under the Head General Meeting and accordingly change the Numbering of the clauses in the Articles of Association of the Company.

Additional clause 63.

The Notice(s) calling the general meeting, Balance Sheet, Profit & Loss Account, Directors' report, Auditors' report and Explanatory Statement etc of the Company shall be send to the Shareholders of the Company through an Electronic/Physical Mode or any other Mean.

By Order of the Board of Directors  
For Compuage Infocom Limited

Atul H.Mehta  
Chairman & Managing Director

Place : Mumbai  
Date : 10th June, 2011

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



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 27th July, 2011 to 29th July, 2011 (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, 2011 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 29th July, 2011. 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. The relative Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 relating to Special Business to be transacted at the Meeting is annexed hereto.
  6. 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.
  7. Members/Proxies/Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
  8. Members are requested to send the advice about 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 particular of the Directors who is proposed to be re-appointed is furnished below:

i) Item No. 3 of the Notice:

Name : Ms. Preeti Trivedi  
Age : 52 years  
Qualification : B. com & FCA  
Date of appointment : 29.10.2009

ii) Item No. 5 of the Notice:

Name : Mr. Atul Mehta  
Age : 50 years  
Qualification : B.Com & MBA  
Date of appointment : 27.07.1999

iii) Item No.6 of the Notice:

Name : Mr. Bhavesh Mehta  
Age : 38 years  
Qualification : M.Com with specialization in Marketing  
Expertise : Specialized in Import and Logistics  
Date of appointment: : 18.10.2000



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

### Item No. 5

At the Annual General Meeting held on 23rd August, 2008 the members of the company had approved the appointment of Mr. Atul Mehta as Managing Director of the Company for a period of 3 years from 8th September, 2008 to 7th September, 2011, on the terms and condition stated under the relative resolution placed at the said Annual General Meeting.

Mr. Atul Mehta has done MBA in finance from USA and he is in the Trading business since 1987 and under his leadership the Company has made excellent progress in the Electronics Trading business. Under his Leadership the Company is having 51 branches all over India and also the Company intends to open additional branches during the year to come. The Compensation Committee of the Board of Directors and the Board, at their meetings, held on 10th June, 2011 had, subject to confirmation by the members at this Annual General Meeting decided to re- appoint Mr.Atul Mehta in view of his excellent performance, as Managing Director, of the Company, for a period of 3 years from 8th September, 2011 to 7th September, 2014 on the terms and conditions including the remuneration/emoluments, mentioned below. The Members are requested to approve the resolution herein for the appointment of Mr. Atul Mehta, as Managing Director.

The terms of the Agreement with Mr.Atul Mehta, the Managing Director, include the following:

### EMOLUMENTS

#### A BASIC SALARY

The basic salary shall be Rs.1, 38, 00, 000 p.a (Rupees One Crore Thirty Eight Lakhs Only.)

#### B COMMISSION:

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

Provided further that Commission shall be payable, on an annual basis but only after the Company's Annual Accounts and Balance Sheet under Section 210 of the Companies Act, 1956 are placed before the Company's Annual General Meeting and approved by the members thereat, subject further, to the said Managing Director continuing to be in employment of the Company at the time of payment of the said Commission.



## C PERQUISITES

### CATEGORY I

Perquisites of Rs.6,00,000 (Rupees Six Lakhs Only) includes House rent allowance, General allowance, club fees, Group personal accident insurance, group mediclaim and Group term insurance

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

### CATEGORY II

- a) Provident Fund: Company's contribution to Provident Fund as per Rules of the Company.
- b) Gratuity: Payable in accordance with the Rules of the Company but not exceeding half month's basic salary for each completed year of service. Performance Incentive will not be added to the basic salary for the purpose of provident fund, gratuity, medical or commission and other perquisites.
- c) For Provident Fund, Gratuity or any other benefit, there is ceiling limit for Basic and these benefits will be payable as per limits prescribed as per rules of the Company for above benefits from time to time.
- d) Car(s) and telephone(s) will be provided at residence for official use. However, provision of these facilities will be subject to tax as per prevailing Income Tax rules. The Company shall bill Personal long distance calls on telephone to the said Managing Director.
- e) The contribution to Provident Fund will not be included as perquisites to the extent these are not taxable under the Income Tax Act, 1961.
- f) Leave: As per the rules of the Company, but not exceeding 21 working days per year. Unutilised leave can be carried forward and then encashed equivalent to Basic salary and as per rules of the Company in force from time to time.
- g) All Emoluments and Perquisites will be taxable as per the provisions of the Income Tax Act, 1961.
- h) Stock Options: The Managing Director will be granted stock options at sole discretion of the Company under the ESOP in quantities as determined by the Compensation Committee of the Board based upon the said Managing Director's performance and the performance of the Company from time to time.



Notwithstanding anything contained hereinabove, wherein any financial year during the currency of this Agreement, the Company has no profits or inadequate profits, the remuneration payable to the Managing Director as basic salary, perquisites and any other allowances shall be governed and be subject to ceilings provided under Section II of Part II (A) of Schedule XIII to the Companies Act, 1956.

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

A copy of the aforesaid Agreement referred to in the Resolution at Item No.5 of the accompanying Notice, is available for inspection by any member of the Company at the Registered Office of the Company on any working day before the ensuing Annual General Meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Directors commend the Resolution for the approval of the members.

None of the Directors except Mr. Atul Mehta and Mr. Bhavesh Mehta is interested or concerned in the said Resolution.

### Item No. 6

At the Annual General Meeting held on 23rd August, 2008 the members of the company had approved the appointment of Mr. Bhavesh Mehta as Director of the Company for a period of 3 years from 18th October, 2008 to 17th October, 2011, on the terms and condition stated under the relative resolution placed at the said Annual General Meeting.

Mr. Bhavesh Mehta has done M.com with specialization in Marketing and Expertise in Import and Logistics and he is in the business since 1994 and under his leadership the Company has made excellent progress in the Electronics Trading business. Under his Leadership the Company is having 51 branches all over India and also the Company intends to open additional branches during the year to come. The Compensation Committee of the Board of Directors and the Board, at their meetings, held on 9th June, 2011 had, subject to confirmation by the members at this Annual General Meeting decided to re- appoint Mr. Bhavesh Mehta in view of his excellent performance, as Whole time Director, of the Company, for a period of 3 years from 18th October, 2011 to 17th October, 2014 on the terms and conditions including the remuneration/emoluments, mentioned below. The Members are requested to approve the resolution herein for the appointment of Mr. Bhavesh Mehta, as Whole time Director.



The terms of the Agreement with Mr. Bhavesh Mehta, the Whole time Director, include the following:

### EMOLUMENTS

#### A BASIC SALARY

The basic salary shall be Rs.1, 14, 00, 000 p.a (Rupees One Crore Fourteen Lakhs Only)

#### B COMMISSION:

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

Provided further that Commission shall be payable, on an annual basis but only after the Company's Annual Accounts and Balance Sheet under Section 210 of the Companies Act, 1956 are placed before the Company's Annual General Meeting and approved by the members thereat, subject further, to the said Whole time Director continuing to be in employment of the Company at the time of payment of the said Commission.

#### C PERQUISITES

##### CATEGORY I

Perquisites of Rs.6,00,000 (Rupees Six Lakhs Only) includes House rent allowance, General allowance, club fees, Group personal accident insurance, group mediclaim and Group term insurance

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

##### CATEGORY II

- a) Provident Fund: Company's contribution to Provident Fund as per Rules of the Company.
- b) Gratuity: Payable in accordance with the Rules of the Company but not exceeding half month's basic salary for each completed year of service. Performance Incentive will not be added to the basic salary for the purpose of provident fund, gratuity, medical or commission and other perquisites.
- c) For Provident Fund, Gratuity or any other benefit, there is ceiling limit for



Basic and these benefits will be payable as per limits prescribed as per rules of the Company for above benefits from time to time.

- d) Car(s) and telephone(s) will be provided at residence for official use. However, provision of these facilities will be subject to tax as per prevailing Income Tax rules. The Company shall bill Personal long distance calls on telephone to the said Managing Director.
- e) The contribution to Provident Fund will not be included as perquisites to the extent these are not taxable under the Income Tax Act, 1961.
- f) Leave: As per the rules of the Company, but not exceeding 21 working days per year. Unutilised leave can be carried forward and then encashed equivalent to Basic salary and as per rules of the Company in force from time to time.
- g) All Emoluments and Perquisites will be taxable as per the provisions of the Income Tax Act, 1961.
- h) Stock Options: The Whole Time Director will be granted stock options at sole discretion of the Company under the ESOP in quantities as determined by the Compensation Committee of the Board based upon the said Whole time Director's performance and the performance of the Company from time to time.

Notwithstanding anything contained hereinabove, wherein any financial year during the currency of this Agreement, the Company has no profits or inadequate profits, the remuneration payable to the Whole time Director as basic salary, perquisites and any other allowances shall be governed and be subject to ceilings provided under Section II of Part II (A) of Schedule XIII to the Companies Act, 1956.

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

A copy of the aforesaid Agreement referred to in the Resolution at Item No.6 of the accompanying Notice, is available for inspection by any member of the Company at the Registered Office of the Company on any working day before the ensuing Annual General Meeting.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of the terms of the Agreement and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Directors commend the Resolution for the approval of the members.



None of the Directors except Mr. Bhavesh Mehta and Mr. Atul Mehta is interested or concerned in the said Resolution.

**Item No. 7**

The Board of Director at their Meeting held on 10th June, 2011 decided to alter the Articles of Association of the Company by altering the existing clause 114(b) of the Articles of Association of the Company by substituting the New Clause 114 (b) in place of Old Clause 114 (b) relating to the Affixture of Common Seal of the Company as reproduced herein below.

Old Clause 114(b).

The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or one of its Committees and unless the Board otherwise determines every deed or other instruments to which the Seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company, be signed by two directors at least in whose presence the Seal shall have been affixed, provided nevertheless that any instruments bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity in the affixture thereof.

New clause 114 (b).

The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board unless the Board otherwise determines every deed or other instruments to which the Seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company, be signed by any one director of the company and Company Secretary or any person authorized by the Board at least in whose presence the Seal shall have been affixed, provided nevertheless that any instruments bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity in the affixture thereof.

The Directors commend the Resolution for the approval of the members.

None of the Directors are interested or concerned in the said Resolution.

**Item No. 8**

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 stating that the service of document by a company can be made through electronic mode.

Keeping in view the underlying theme and the circular issued by MCA, the Company propose to send documents like the Notice(s) calling the general meeting, Directors' report, Auditors' report and Explanatory Statement etc of the Company in electronic/ physical form and in this regard the Company intend to alter the Articles of Association of the Company by adding a additional clause no. 63 under the Head General Meeting



and numbering it as Clause 63 and accordingly changing the numbering of the all the Clauses in the Articles of Association of the Company or any other mean.

The Members are entitled to be furnished, free of cost, with a copy of the balance sheet of the company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report, upon receipt of a requisition from the Shareholders any time by the Company

The Directors commend the Resolution for the approval of the members.

None of the Directors are interested or concerned in the said Resolution.

By Order of the Board of Directors  
For Compuage Infocom Limited

Atul H.Mehta  
Chairman & Managing Director

Place : Mumbai  
Date : 10th June, 2011

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

**DIRECTOR'S REPORT**

Dear Shareholders,

The Board of Directors has pleasure in presenting the Audited Financial Statements for the year ended 31st March 2011.

**FINANCIAL HIGHLIGHTS :**

The highlights of the Financial Results are:

(Rs. In Lacs)

Particulars	Current Year 2010-11	Previous Year 2009-10
Sales & Other Income	137490.57	108849.36
Profit before Taxation & Depreciation	1409.58	1010.45
Less: Depreciation	117.69	55.17
Profit after depreciation	1291.89	955.28
Less: Provision for taxation	424.62	325.09
Fringe Benefit Tax	0.00	1.36
Profit after Tax Provision	<b>867.27</b>	<b>628.83</b>
Balance brought forward	1427.32	919.70
Amount available for Appropriation:	<b>2294.59</b>	<b>1548.53</b>
Proposed Dividend	103.60	103.60
Dividend Distribution Tax	17.21	17.61
Balance Carried to Balance Sheet	2173.78	1427.32

**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.137490.57 lacs registering a growth of 26.31% and consolidated revenue growing to Rs.141427.42 lacs, registering a growth of 26.14%.

The profit after tax grew to Rs 867.27 lacs, growing by 37.92% over the previous year. Consolidated profit after tax grew to Rs.895.51 lacs, growing by 55.18%.

The company has continued to strength its infrastructure, reach and product portfolio.

**DIVIDEND:**

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2011 at Rs. 2/- ( Rupees Two only) per share ( 20 %) on face value of Rs.10/-, subject to the approval of members at the ensuing Annual General Meeting.

**FUTURE OUTLOOK:**

Future outlook of Compuage is very promising. It operates in growth oriented industry which is likely to grow by 20% per annum for the next few years. The company being small will be able to grow more than the IT industry's growth rate.

**SUBSIDIARY COMPANIES:**

The total number of subsidiaries of the Company as on March 31, 2011 is 3, 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, 2011, 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 sealed Maintenance free Batteries for the UPS segment. The Company is also exploring manufacturing of Batteries.

During the year Greenvision Technologies Pvt Ltd has achieved a turn over of Rs. 2269.04 lacs and has made a net profit before tax of Rs. 10.83 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:**

Compugage continues to upgrade its I.T. team and infrastructure and has a solid backbone to support the business.

**INTERNAL AUDIT:**

Compugage 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:**

Ms. Preeti Trivedi 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, 2011, 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, 2011 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, 2011 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 was Rs. 77.52 lacs

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, 2011 is RS. 50637.85 Lacs. (Rs. 35631.27 Lacs in previous year)

2. Expenditure in Foreign currency: (Rs.in Lacs)	(Current Year)	(Previous Year)
Traveling	NIL	6.86
Interest	1.56	1.72



## COMPUGAME INFOCOM LTD.

### PARTICULARS OF EMPLOYEE:

Statement of Particulars of Employees under Sec 217 2(A) for the period ended 31st March, 2011.

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 (23)	60,00,000 /-	Compugame Electronics Ltd. Chairman & Managing Director
*Bhavesh H. Mehta (37)	Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (16)	48,00,000 /-	Compugame Electronics Ltd. Director
Sunil M. Mehta (39)	Vice President - Finance, (16.06.2000)	Chartered Accountant (16)	33,36,000/-	Compugame Electronics Ltd. VP- Finance
Anand Vardhan (38)	Vice President, Sales & Marketing (01.02.2009) (Resigned on 15/12/2010)	Post Graduate degree in English (18)	17,77,135/-	American Power Conversion- Country Sales Manager

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

### 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 2011, does not arise.

However, 18,00,000 warrants were allotted on preferential basis to Mr. Atul Mehta and Mr. Bhavesh Mehta , the promoters of the Company on 2nd March 2010 . Therefore 18,00,000 warrants are outstanding with option to convert them into equal number of Equity shares within 18 months from the date of allotment .

### 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.



## COMPUGAME INFOCOM LTD.

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 networth as on 31st March 2011 is Rs.31 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 Compugame Family across the world

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

Atul H. Mehta  
Chairman and Managing Director

Place: Mumbai.  
Date: 19th April, 2011

**Registered Office:**  
Compugame Infocom Ltd  
3, Dhuru Building,  
329, Vithalbhay 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 exploring manufacture of batteries for inverters, UPS and Telecom sector. This initiative too shall enhance the profitability of the company. The future potential for the company unquestionably remains bright.



### Future Outlook

Compuage is also exploring distribution in other areas such as Home Appliances, Consumer Electronics and Telecom products, 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 preparing to set 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 Distribution and two, improve the bottom line.

The year ahead looks promising.

### Operational Performance

The Last Financial Year 2010-11, was a good year with company closing on a profitable note. The company's revenue grew to Rs. 137490.57 lacs registering a growth of 26.31% and consolidated revenue growing to Rs. 141427.42 lacs, registering a growth of 26.14%. The profit after tax grew to Rs. 867.27 lacs, growing by 37.92% over the previous year. Consolidated profit after tax grew to Rs.895.51 lacs, growing by 55.18%.

### 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 were Cisco Networking Products, Dell Netbooks , Energy Range of Power Products, HCL range of PCs, HP Range of Consumables (with Printers already with us), Kingston complete Range of Memory Products and Microsoft Licensing Products.

The Company has:

- (1) Ventured overseas by floating a wholly owned subsidiary in the name of Compuage Infocom (S) Pte. Ltd. to address Indian Subcontinent and Other Asian markets.
- (2) Acquired 80% stake in ADIT eCommerce Pvt. Ltd , a company focusing on online business. Online business is bound to grow and we would like to be well entrenched and benefit when the market explodes.

### SWOT Analysis

#### Strengths :

- The company has 23 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
- It presence is 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 SMF 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 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.

**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 Governanc 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 on the Board of Directors and the management, their interest in the organisation 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. Disclosure
- IV. Means of Communication
- V. Shareholder 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	Directorship in no. of other public limited Companies	Other Companies Committee	
			Membership	Chairperson
Mr. Atul Mehta	Promoter, Chairman & Managing Director	2	NONE	NONE
Mr. Bhavesh Mehta	Promoter, Whole Time Director and COO	2	NONE	NONE
Mr. G.S.Ganesh	Non-executive Independent	2	NONE	NONE
Mr. Vijay Agarwal	Non-executive Independent	7	5	3
Ms. Preeti Trivedi	Non-executive Independent	NONE	NONE	NONE

**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, Membership/ Chairmanships of only the 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/investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

Ms. Preeti Trivedi retires by rotation and being eligible seeks re-appointment at the ensuing Annual General Meeting (AGM). A brief resume of these Directors along with the nature of their expertise and details of other directorships, committee positions held by them and the number of shares held by them in the Company have been disclosed and forms part of the notice convening the Annual General Meeting (AGM)

**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 results/ annual results
- Transaction 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. Nineteen Board Meetings were held during the year on 14th April 2010, 17th April 2010, 26th May 2010, 10th June 2010, 14th June 2010, 24th June 2010, 9th July 2010, 13th August 2010, 1st September 2010, 12th October 2010, 13th November 2010, 18th November 2010, 20th November 2010, 24th December 2010, 17th January 2011, 27th January 2011, 31st January 2011, 17th February 2011 and 12th March 2011.



Name of the Directors	No. of Board Meetings Held	No. of Board Meeting Attended	Attendance at last A.G.M.
Mr. Atul Mehta	19	19	YES
Mr. Bhavesh Mehta	19	19	YES
Mr. G. S. Ganesh	19	18	YES
Mr. Vijay Agarwal	19	17	YES
Ms. Preeti Trivedi	19	19	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 the Board Meeting as 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 meeting attended
Mr. G. S. Ganesh	Non-executive Independent	Chairman	4
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	4
Ms. Preeti Trivedi	Non-executive Independent	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.

For the financial year 1st April, 2010 to 31st March, 2011 four meetings were held viz. 17th April, 2010, 13th August, 2010, 13th November, 2010, & 31st January, 2011

**B. REMUNERATION COMMITTEE**

Remuneration Committee was re-constituted on 31st January 2006 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for executive directors. During 1st April 2010 to 31st March 2011, Remuneration Committee met on 17th April, 2010. The attendances of members for the meetings are as follows:

Name of Director	Category	Designation	No. Of meeting attended
Mr. G.S.Ganesh	Non-executive Independent	Chairman	1
Mr. Vijay Agarwal	Non-executive Independent	Member	1
Ms. Preeti Trivedi	Non-executive Independent	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. 6000000 p.a	3 years w.e.f. 8th September, 2008 to 07.09.2011
Mr. Bhavesh Mehta	Whole Time Director	Rs. 4800000 p.a.	3 years w.e.f. 18th October, 2008 to 17.10.2011

**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 of shares, transmission of shares, splitting, consolidation and rematerialisation of shares. The shares in Physical form sent for transfer in physical form are processed and registered by the Company within 30 days of receipt of documents, if found in order and specifically look into the redress of shareholder and 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 16th April 2010, 23rd April 2010, 21st May 2010, 4th June 2010, 9th July 2010, 30th July 2010, 3rd September 2010, 10th September 2011, 29th October 2010, 26th November 2010 and 17th December 2010 are as Follows: total

Name of Director	Category	Designation	No. Of meeting attended
Ms. Preeti Trivedi	Non-executive Independent	Chairperson	10
Mr. Atul Mehta	Chairman & Managing Director	Member	11
Mr. G.S. Ganesh	Non-executive Independent	Member	11

- b) Name & Designation of Compliance Officer : Ms. Nilufer Irani  
Tel No.- 23842200  
Fax No.- 23842210
- c) Number of Shareholder Complaints received so far : 8
- d) Number of Complaints not solved to satisfaction : 0
- e) Number of pending Complaints : 0

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

Year	AGM/ EGM	Date	Time	Venue	Special Resolutions
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 - 400 034.	1) Appointment of Ms. Preeti Trivedi as the Director of the Company. 2) 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 - 400 034	1) Alteration of Article 7 (c) of the Articles of Association of the Company. 2) Issue on preferential basis of 18, 00,000 warrants convertible into Equal Number of Equity Shares.
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 - 400 034	1) Increase in FII's and NRIs limit to 49% 2) Dealing in fractional entitlement pursuant to the Rights Issue of Shares of the Company.
2008-09	9th AGM	23/08/2008	10.00 a.m	Haveli 2, Krishna Place Residency, 96/98, Sleater Road, Nana Chowk, Mumbai - 400 007.	1) Re- appointment of Mr. Atul Mehta as Managing Director 2) Re- appointment of Mr. Bhavesh Mehta as Whole Time Director. 3) Exceed Borrowing under Section 293 (1) (a) 4) Exceed Borrowing under Section 293(1) (d)

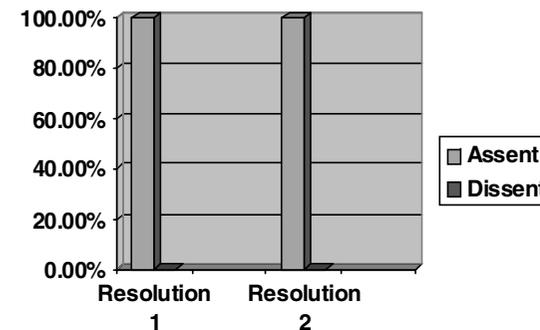
**2. Postal Ballot :**

During the year ended on March 31, 2011 the Company sought the approval of its members by way of Postal Ballot, notice dated 12th October, 2010. Mr. Virendra Bhatt, Practicing Company Secretary, Mumbai was appointed by the Board of Director as scrutinizer to conduct the postal ballot exercise. Mr. Virendra Bhatt conducted the process and submitted his report to the Chairman and Managing Director. The result was declared on the 24th November, 2010.

**(a) Special Resolutions passed during the financial year 2010-11 through the Postal Ballot Procedure :**

During the financial year 2010-11, consent of the members was sought through the postal ballot Procedure the following 2 special resolutions were passed under section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 :

- 1) Increase in the limit of Investment by Foreign Institutional Investors (FIIS) in the Company's Equity Share Capital.
- 2) Increase in the limit of Investment by NRIs and PIOs in the Company's Equity Share Capital.

**Note:**

**Resolution No. 1 was passed with 100% votes in favour of the resolution and Resolution No. 2 was passed with 100% votes in favour of the resolution.**

**II. DISCLOSURES:**

- a) There were no pecuniary relationship 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 Schedule 17 to the Audited 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 Warrants**  
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 by Clause 49 of the listing Agreement, a certificate from a 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. The Annual and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement and are normally published in Business Standard and Navshakti Times.
- 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 form part of this Annual Report.

**V. SHAREHOLDER INFORMATION****1. ANNUAL GENERAL MEETING**

- \* **Date and Time** : 29th July, 2011 at 10.00 a.m
- \* **Venue** : Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Mumbai - 400 034.
2. **Board Meeting for considering of Audited Accounts** : 19th April, 2011
3. **\*Posting of Annual Report** : 6th July, 2011
4. **Book Closure Date** : 27th July, 2011 to 29th July, 2011 (Both days inclusive)
5. **Dividend payment date** : on or before 16th August, 2011



6. **Financial year** : 1st April, 2010 to 31st March, 2011
7. **Last date of receipts of proxy forms** : 27th July, 2011
8. **Registered Office** : Compuage Infocom Ltd.  
3, Dhuru Building,  
329, Vithalbhai Patel Road,  
Mumbai - 400 004.
9. **Equity Shares listed** : Bombay Stock Exchange Ltd. (CODE NO.532456).  
The Stock Exchange, Chennai CIFC

**1. 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, 2010	96.00	70.65	NA	NA
May, 2010	151.50	76.00	NA	NA
June, 2010	215.00	146.60	NA	NA
July, 2010	191.00	144.60	NA	NA
August, 2010	230.20	146.50	NA	NA
September, 2010	234.70	140.00	NA	NA
October, 2010	189.95	142.00	190.95	141.40
November, 2010	249.00	169.00	257.00	164.95
December, 2010	248.70	178.25	248.00	190.00
January, 2011	230.95	172.60	240.00	177.45
February, 2011	203.90	155.05	203.00	162.95
March, 2011	191.60	137.10	193.90	131.00

Pursuant to the agreement MSE had entered into with NSE, proviso (i) to section 13 of the Securities Contracts (Regulations) Act, 1956, the securities of our Company have been allowed to 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 September 30, 2010.

**Stock Performance**

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

**10. Registrar & Transfer Agents : LINK INTIME INDIA PRIVATE LTD.**

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

**11. 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 from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities 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.

**12. Distribution of shareholding by size as on 31st March 2011 :**

No. of Equity Shares held	SHAREHOLDERS		SHARES	
	NOS	%	NOS	%
Upto-500	2204	92.72	200400	3.87
501-1000	67	2.82	50014	0.97
1001-2000	45	1.89	65611	1.27
2001-3000	13	0.55	30146	0.58
3001-4000	8	0.34	27916	0.54
4001-5000	5	0.21	24264	0.47
5001-10000	6	0.25	43047	0.83
100001 - Above	29	1.22	4738602	91.48
<b>Total</b>	<b>2377</b>	<b>100.000</b>	<b>5180000</b>	<b>100</b>

**2. Category of Shareholdings as on 31st March, 2011 :**

Category	No. of shares	% of Shareholding
Other Bodies Corporate	69115	1.33
Clearing Member	100074	1.93
Directors	2566126	49.54
Foreign Company	54725	1.06
Hindu Undivided Family	4554	0.09
Market Maker	12047	0.23
Nationalised Banks	40	0.00
Non Resident Indians	543846	10.50
Non Resident (Non Repatriable)	161	0.00
Public	876328	16.92
Relatives of Directors	952984	18.40
<b>Total</b>	<b>5180000</b>	<b>100.00</b>

**13. Financial Release Dates for 2010-2011 :**

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	Mid of August 2011
2nd Quarter ending 30th September	Mid of November 2011
3rd Quarter ending 31st December	Mid of February, 2012
4th Quarter ending 31st March	Mid of April, 2012

**14. (a) Demat Position as on 31st March, 2011 :**

Total No. Of Fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
1	2	3	4	5
5180000	5008785	96.69	171215	3.31

**(15) 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 2011, does not arise.

However, 18,00,000 warrants were allotted on preferential basis to Mr. Atul Mehta and Mr. Bhavesh Mehta , the promoters of the Company on 2nd March 2010 . Therefore 18,00,000 warrants are outstanding with option to convert them into equal number of Equity shares within 18 months from the date of allotment .

**(16) 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: rmt.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.

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



Dividend	Date of declaration Of Dividend	Last date for claiming unpaid Dividend	Due date for for transfer to IEPF
2009-10(Final)	14.08.2010	19.09.2017	19.10.2017

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, 2011

**For Compugate Infocom Limited**

**Mumbai  
19th April 2011**

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



To The Board of Directors  
Compugate Infocom Limited  
3, Dhuru Building, 1st Floor,  
329, Vithalbhay Patel Road,  
Mumbai - 400 004.

**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 2011**

We, Atul H. Mehta, Chairman and Managing Director and Mr. Sunil Mehta (VP-Finance), of Compugate 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  
Place: Mumbai  
Date: 19th April 2011.

Mr. Sunil Mehta  
VP-Finance



**Annexure to the Directors' Report**

**Auditors' Certificate on Corporate Governance.**

**To the Members of the COMPUGATE INFOCOM LIMITED**

1. We have examined compliance of the conditions of Corporate Governance by Compugate Infocom Ltd, for the year ended on 31st, March 2011 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, 2011, the Registrars of the Company have certified that as at 31st March, 2011, 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 : 19th April 2011**

**M. S. Shah**  
PARTNER  
M.No.104640



**Auditors' Report**

**To The Members of Compuage Infocom Limited**

1. We have audited the attached Balance Sheet of '**Compuage Infocom Limited**', as at 31st March, 2011, 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
  - 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 & COMPANY  
Chartered Accountants**

**Place : Mumbai  
Dated : 19th April 2011**

**M. S. SHAH  
Partner  
(M. No. 104640)**



**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. 780.74 lacs and the year end balance of unsecured loans to such parties was Rs. 468.54 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 4 parties covered in the said register from which the Company has taken loans. The maximum amount involved during the year was Rs. 565.66 lacs and the year-end balance of unsecured loans taken from such parties was Rs. 331.06 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.
- (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, 2011 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.



# COMPUGATE INFOCOM LTD.

- (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.
- (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 and no long term funds have been used to finance short term assets.
- (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 & COMPANY  
Chartered Accountants**

**Place : Mumbai  
Dated : 19th April 2011**

**M. S. SHAH  
Partner  
(M. No. 104640)**



# COMPUGATE INFOCOM LTD.

## BALANCE SHEET AS AT 31ST MARCH 2011.

		RUPEES IN LACS	
	Schedule	31st March 2011	31st March 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	518.00	518.00
Share Application Money towards Equity Warrants Reserves & Surplus	2	301.50 2405.50 <u>3225.00</u>	301.50 1659.04 <u>2478.54</u>
<b>Loan Funds :</b>			
Secured Loans	3	7491.34	5251.25
Unsecured Loans	4	5696.29	4725.93
		<u>13187.63</u>	<u>9977.18</u>
<b>Total</b>		<u>16412.63</u>	<u>12455.72</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets : Gross Block	5	1235.91	786.46
Less :Depreciation		497.89	380.20
Net Block		<u>738.02</u>	<u>406.26</u>
<b>Investments</b>	6	160.92	161.27
<b>Current Assets,Loans &amp; Advances</b>			
Inventories	7	14159.14	10334.85
Sundry Debtors	8	13326.37	9560.43
Cash & Bank Balances	9	2831.87	2348.64
Loans & Advances	10	4458.93	2957.87
		<u>34776.31</u>	<u>25201.79</u>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	11	18252.35	12379.51
Provisions	12	1040.61	891.01
		<u>19292.96</u>	<u>13270.52</u>
<b>Net Current Assets</b>		<u>15483.35</u>	<u>11931.27</u>
<b>Misc.Expenditure (To the extent not W/off.)</b>		123.05	0.00
<b>Deferred Tax Liability</b>		(92.71)	(43.09)
<b>Total</b>		<u>16412.63</u>	<u>12455.72</u>
Notes Forming Part of Accounts	17		

As per report of even date attached  
For **B.V.DALAL & Co.**  
CHARTERED ACCOUNTANTS

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

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

**G.S.Ganesh**  
Director

**Bhavesh H.Mehta**  
Whole Time Director

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

PLACE : **MUMBAI**  
DATED: 19th April 2011



# COMPUAGE INFOCOM LTD.

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

RUPEES IN LACS

	Schedule	31st March 2011	31st March 2010
<b>Income</b>			
Sales		137390.81	108780.17
Other Income		99.76	69.19
		<u>137490.57</u>	<u>108849.36</u>
<b>Expenditure</b>			
Cost of Goods Sold	13	125019.43	99449.11
Employees Cost	14	1709.19	1240.91
Administrative & Selling Expenses	15	8447.32	6340.72
Interest & Other Financial Expenses	16	905.05	808.17
Depreciation	5	117.69	55.17
		<u>136198.68</u>	<u>107894.08</u>
Profit Before Tax		1291.89	955.28
Provision For Tax -Current		375.00	307.78
-Deffered Tax		49.62	17.31
-Fringe Benefit		0.00	1.36
Profit After Tax		867.27	628.83
Add : Balance brought forward		1427.32	919.70
Amount available for Appropriations		<u>2294.59</u>	<u>1548.53</u>
Proposed Dividend		103.60	103.60
Dividend Distribution Tax		17.21	17.61
Balance Carried to Balance Sheet		2173.78	1427.32
		<u>2294.59</u>	<u>1548.53</u>
Basic & Diluted Earning per Share (Rs.)		16.74	12.14
Notes Forming Part of Accounts	17		

As per report of even date attached  
For **B.V.DALAL & Co.**  
CHARTERED ACCOUNTANTS

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

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

**G.S.Ganesh**  
Director

**Bhavesh H.Mehta**  
Whole Time Director

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

PLACE : **MUMBAI**  
DATED: 19th April 2011



# COMPUAGE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

	Schedule	31st March 2011	31st March 2010
<b>SCHEDULE 1</b>			
<b>SHARE CAPITAL</b>			
Authorised :			
<b>A. Equity Shares :</b>			
19254000 Equity share of Rs. 10 each		1925.40	1925.40
<b>B.Preference Shares :</b>			
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
		<u>341.60</u>	<u>341.60</u>
		<u>2267.00</u>	<u>2267.00</u>
<b>Issued ,Subscribed &amp; paid up :</b>			
<b>A. Equity Shares :</b>			
5180000 Equity shares of Rs.10 each fully paid		518.00	518.00
		<u>518.00</u>	<u>518.00</u>
<b>SCHEDULE 2</b>			
<b>RESERVES AND SURPLUS</b>			
Capital Redemption Reserve		129.72	129.72
<b>General Reserve :</b>			
Opening/Closing balance		102.00	102.00
Profit and Loss Account balance		2173.78	1427.32
		<u>2405.50</u>	<u>1659.04</u>
<b>SCHEDULE 3</b>			
<b>SECURED LOANS</b>			
Cash Credit from Banks (Net of Debit Balances) (Secured against hypothecation of Stocks and Book debts and guaranteed by Directors)		6596.84	5251.25
Term Loan from Bank (Secured against office Premises)		894.50	0.00
		<u>7491.34</u>	<u>5251.25</u>
<b>SCHEDULE 4</b>			
<b>UNSECURED LOANS</b>			
<b>Short Term Loans :</b>			
From Others(Guaranteed by Directors)		5607.09	4634.62
<b>Long Term Loans :</b>			
ECB Loan		89.20	91.31
		<u>5696.29</u>	<u>4725.93</u>



# COMPUAGE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2011			31st March 2010						
	As on 1.4.10	Addition	Deduction	As on 31.3.11	As on 1.4.10	For the Year	Less on Ded.	As on 31.3.11	As on 31.3.11	As on 31.3.10
<b>SCHEDULE 5</b>										
<b>FIXED ASSETS</b>										
	Gross Block			Depreciation				Net Block		
Office Premises	19.78	-	-	19.78	2.54	0.32	-	2.86	16.92	17.24
Information Technology Equipments	476.79	317.18	-	793.97	297.14	94.67	-	391.81	402.16	179.65
Vehicles	59.29	-	-	59.29	18.40	5.63	-	24.03	35.26	40.89
Office Equipment	81.44	62.17	-	143.61	21.24	5.51	-	26.75	116.86	60.20
Furniture & Fixture	149.16	70.10	-	219.26	40.88	11.56	-	52.44	166.82	108.28
Total	786.47	449.45	-	1,235.91	380.20	117.69	-	497.89	738.02	406.26
Previous Year	593.39	193.07	-	786.46	325.03	55.17	-	380.20	406.26	268.36

### SCHEDULE 6

#### INVESTMENTS (At Cost)

(Non-Trade - Unquoted)

46,666 Equity Shares of

Bombay Mercantile Co-op. Bank Ltd.

of Rs.30 each

14.00 14.00

#### Subsidiary Companies :

7,60,000, Equity Shares of Greenvision

Technologies Pvt. Ltd.

76.00 76.00

1,50,000, Ordinary Shares of Compuage

Infocom Pvt. Ltd. - Singapore

44.60 44.95

8000, Equity Shares of Adit Ecommerce Pvt. Ltd.

26.32 26.32

**160.92 161.27**

### SCHEDULE 7

**INVENTORIES (At cost / Realisable value whichever is lower )** 14159.14 10334.85

(As taken, valued and certified by a Director)

**14159.14 10334.85**



# COMPUAGE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2011		31st March 2010	
<b>SCHEDULE 8</b>				
<b>SUNDRY DEBTORS</b>				
(Unsecured ,considered good unless stated otherwise)				
(Net of Advances)				
Outstanding for more than Six months :				
Good		130.30		91.31
Doubtful		0.00		0.00
Others debts				
Good		13196.07		9469.12
Doubtful		0.00		0.00
		<u>13326.37</u>		<u>9560.43</u>
Less : Provision For Doubtful Debit		0.00		0.00
		<u><b>13326.37</b></u>		<u><b>9560.43</b></u>

### SCHEDULE 9

#### CASH AND BANK BALANCES

Cash on hand

7.94 9.96

Balances with Scheduled Banks

39.87 281.69

Margin Money

2784.06 2056.99

(Deposits against L/C,pledged with the banks)

**2831.87 2348.64**

### SCHEDULE 10

#### LOANS AND ADVANCES

(Unsecured ,considered good )

Advance Tax Payments

1111.66 813.74

Advances recoverable in cash or in kind

2943.61 1851.07

or for value to be received

403.66 293.06

Security Deposits

**4458.93 2957.87**

### SCHEDULE 11

#### CURRENT LIABILITIES

Bills Payables (Net of Debit balance)

16747.28 11752.29

Sundry Creditors

-Dues to Micro, Small, & medium enterprises.

- -

-Others

1505.07 627.22

**18252.35 12379.51**



# COMPUGATE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2011	31st March 2010
<b>SCHEDULE 12</b>		
<b>PROVISIONS</b>		
Taxation	919.80	769.80
Proposed Dividend	103.60	103.60
Dividend Distribution Tax	17.21	17.61
	<u>1040.61</u>	<u>891.01</u>
<b>SCHEDULE 13</b>		
<b>COST OF GOODS SOLD</b>		
Opening Stock	10334.85	6663.90
Purchases	128843.72	103120.06
Less: Closing Stock	14159.14	10334.85
	<u>125019.43</u>	<u>99449.11</u>
<b>SCHEDULE 14</b>		
<b>EMPLOYEES COST</b>		
Salaries and Bonus {Including to Directors Rs.108 Lacs (Previous year Rs.108.00 Lacs)}	1617.28	1152.46
Gratuity & Leave Encashment	-	16.86
Provident Fund	13.75	4.52
E.S.I.C.	15.65	3.04
Staff Welfare Expenses	62.51	64.03
	<u>1709.19</u>	<u>1240.91</u>
<b>SCHEDULE 15</b>		
<b>ADMINISTRATIVE AND SELLING EXPENSES</b>		
Rent and compensation	461.89	307.77
Rates & Taxes	0.22	0.24
Electricity	42.88	37.62
Insurance	47.11	24.03
Sales Tax	5993.25	4356.07
<b>Auditors Remuneration</b>		
Audit fees	3.00	
Taxation Matter	3.00	
Other Services	1.50	
	7.50	6.00
Miscellaneous Expenses	1894.47	1608.99
Loss on sale of asset	0.00	0.00
	<u>8447.32</u>	<u>6340.72</u>



# COMPUGATE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2011	31st March 2010
<b>SCHEDULE 16</b>		
<b>INTEREST &amp; OTHER FINANCIAL EXPENSES</b>		
Interest on Loans	1103.18	998.08
Less: Interest Received	198.13	189.91
{Inclusive of TDS-Rs.21.54 Lacs, (Previous year Rs.19.89 Lacs).}		
	<u>905.05</u>	<u>808.17</u>

## SCHEDULE 17: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.

### 1. Significant Accounting Policies :

#### a. Basis of Preparation:

The financial statements have been prepared under the historical cost convention on accrual basis of accounting method in accordance with the mandatory Accounting standards and Statements issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956, as consistently adopted by the company.

#### b. Use of Estimates & Judgments:

Management has made certain estimates & assumptions while preparing & presenting the financial statements that affect the reported amounts of assets & liabilities, the disclosure of contingent assets & liabilities, at the year end and amounts of revenues & expenses during the year reported. Actual results could differ from these estimates & adjustments. Any revision arising there from is recognised prospectively in the future period.

#### c. Fixed Assets:

(i) Fixed Assets are stated at historical cost.

(ii) Cost includes cost of acquisition or construction and other cost directly attributable to such acquisition and installation but net of VAT, if any, wherever setoff is available.

#### d. Depreciation:

Depreciation is provided under Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. In case of additions during the period, pro rata basis is applied taking the month of purchase as full month. In case of sale, no depreciation is provided for the month of sale.

#### e. Revenue Recognition:

(i) 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.

(ii) Revenue of sales of products and services is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer.

(iii) Sales are accounted on inclusive of sales tax basis.



f. Import Purchases:

Import purchases are recognised only upon physical receipt of consignment at the warehouse of the company; Customs duty paid thereon is hence treated as advance paid.

g. Foreign currency Transactions:

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 Profit & Loss account [except those relating to acquisition of fixed assets if any, which are adjusted in the cost of the assets]. All foreign currency assets and liabilities, if any, as at the balance sheet date are restated at the closing rate or the forward contract rate wherever applicable & the amount Rs.369.33 Lacs, (Previous year Rs.229.28 Lacs) is credited to Profit & Loss A/c.

h. Investments:

Investments are stated at cost, being long term in nature. Provision for diminution in value of long term Investment is made only if such a decline is other than temporary.

i. Inventories:

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

(ii) Saleable scrap is accounted for as and when sold.

j. Retirement Benefits:

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

K. DEFERRED TAXES

In accordance with Accounting Standard 22 - "Accounting for Taxes on Income" the Company has recognized Deferred Tax Liability arising out of timing difference between Taxable Income and Accounting Income.

Deferred Tax Assets and Liabilities are stated at the substantively enacted Income Tax rates at the close of the year. Deferred tax assets are created only to the extent they are expected to Materialise.

The Breakup of Deferred Tax Liability as on 31st March 2011 is as under.

	(Rs.in Lacs)	
	31.03.11	31.03.10
Difference in Book and Income Tax Depreciation under IT Act 1961	279.09	126.77
Total Timing Difference	279.09	126.77
Deferred Tax Liability	92.71	43.09

Pursuant to Resolution passed in the Extraordinary General Meeting held on 10th February 2010, The Company has received Application Money of Rs.301.50 Lacs, which is 25% of the value of 18 Lacs Equity Warrants, convertible in to Equity Shares of Rs.10 each at a premium of Rs.57 per Share. This has been utilized for working capital.

- 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.

4. Additional information pursuant to para 4C, 4D of part II of Sch VI :

4.1 Particulars of quantitative details pursuant to paragraph 3 of Part II to schedule VI of the companies Act, 1956 are not applicable due to the nature of activity [i.e. Trading] involved and the large number of computers / computer peripherals & accessories.

4.2 Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2011 is RS.50637.85 Lacs (Previous year Rs. 35631.27 Lacs).

5. Expenditure in Foreign currency: (Rs.in Lacs)	(Current period)	(Previous Year)
Traveling	Nil	6.86
Interest	1.56	1.72

5.1. Earning in Foreign currency: (Rs.in Lacs)

Merchanting Trade	77.52 Lacs	52.41 Lacs
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6. Related Party Information:

A. Directors & their relatives :

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

- Atul H.Mehta
- Ajay H.Mehta
- Bhavesh H.Mehta
- Chandulal P. Mehta

B. Other Related parties :

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

Transactions with related parties: (Rs. in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest Paid to A & B above	Rs.28.35	Rs. 30.62
2	Interest Recd. from B Above	Rs.21.11	Rs.7.39
3	Remuneration Paid To A above	Rs.108.00	Rs. 108.00
4	Purchases of Goods from B above	Rs.1721.17	Rs.876.77
5	Sales of Goods to B Above	Rs.487.25	Rs.378.92
6	Rent Received from B above	Rs.3.84	NIL
7	Installation Charges Received from B above	Rs.4.91	NIL
8	Outstanding receivables as at balance sheet date from B Above	Rs.692.07	Rs.523.99
9	Outstanding payables as at balance sheet date to A & B Above	Rs.534.72	Rs.186.06



7. The companies are in the business having similar risks and rewards and therefore there is only one geographical and business segment.

8. Particulars of earning per share

	Current Year	Previous Year
Net profit for the year (Rs.Lacs)	Rs.867.27	Rs.628.83
Number of shares (Equity Shares)	5180000	5180000
Nominal Value of the share (Rs.)	10.00	10.00
Basic & Diluted Earning per share (Rs.)	Rs.16.74	Rs.12.14

9. 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 reserved depending on changes in circumstances.

10. Figures of the previous year have been regrouped wherever necessary.

11. Information pursuant to part IV of Schedule VI of the Companies Act 1956 is given vide Annexure A attached herewith.

As per our report of even dated attached For and on behalf of the Board of Directors  
For **B.V.DALAL & CO.** For **COMPUGAGE INFOCOM LIMITED**  
**CHARTERED ACCOUNTANTS**

<b>M.S.Shah</b> Partner M.NO.104640 Place: - Mumbai Dated: - 19th April 2011.	<b>G.S.Ganesh</b> Director	<b>Bhavesh H.Mehta</b> Whole Time Director	<b>Atul H. Mehta</b> CMD
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**Cash Flow Statement for the period ended 31st March 2011**

	31st March 2011	31st March 2010
<b>A. Cash Flows from operating activities</b>		
Net Profit Before Tax & Extraordinary items	1,291.89	955.28
Adjustment for:		
Depreciation	117.69	55.17
Interest received	(198.13)	(189.91)
Interest	1,103.18	998.08
Loss/(profit) on sale of Assets	-	-
<b>Operating profit before Working Capital changes</b>	<b>2,314.64</b>	<b>1,818.62</b>
Decrease/(Increase) in Sundry Debtors	(3,765.94)	468.69
Decrease/(Increase) in Inventories	(3,824.29)	(3,670.95)
Decrease/(Increase) in Loans & Advances	(1,501.06)	(1,283.01)
Increase /(Decrease) in Current Liabilities	5,872.84	1,531.42
Increase /(Decrease) in Provisions for taxes	(224.99)	(115.00)
Total	<b>(3,443.45)</b>	<b>(3,068.85)</b>
Fringe Benefit Tax	-	(1.36)
<b>Net Cash Inflow/(Outflow) from operating activities...</b>	<b>(1,128.81)</b>	<b>(1,251.59)</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(449.45)	(193.07)
Equity Shares purchases/Revaluation	0.35	(71.27)
Interest received	198.13	189.91
<b>Net Cash Inflow/(Outflow) from Investing activities...</b>	<b>(250.97)</b>	<b>(74.43)</b>
<b>C. Cash Flows from Financing Activities</b>		
Share Application money received	-	301.50
Long Term Borrowings	1,864.86	1,035.73
Redemption of Preference Shares	-	(211.82)
Working Capital Borrowings	1,345.59	2,407.85
Interest Paid	(1,103.18)	(998.08)
Dividend & Dividend Tax Paid	(121.21)	-
Misc.Expenditure to the extent not written off	(123.05)	-
<b>Net Cash Inflow/(Outflow) from Financing activities.....</b>	<b>1,863.01</b>	<b>2,535.18</b>
Net Increase/(Decrease) in cash and cash Equivalents.....	<b>483.23</b>	<b>1,209.15</b>
Cash and cash Equivalents as at beginning of the year	2,348.64	1,813.07
Cash and cash Equivalents as at end of the period	<b>2,831.87</b>	<b>3,022.22</b>
	<b>483.23</b>	<b>1,209.15</b>

We have examined the above cash Flow statement of Compugage Infocom Limited for the period ended 31st March 2011. This statement has been prepared by the company in accordance with the requirement under clause 32 of the Listing. Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the company as at 31st March 2011.

As per report of even date attached  
For **B.V.DALAL & Co.**  
**CHARTERED ACCOUNTANTS**

<b>M. S. Shah</b> Partner M.NO.:104640 PLACE : MUMBAI DATED: 19th April 2011	<b>G. S. Ganesh</b> Director	<b>Bhavesh H. Mehta</b> Whole Time Director	<b>Atul H. Mehta</b> Chairman & Managing Director
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# COMPUAGE INFOCOM LTD.

## Annexure - A

Additional Information Required As per Part IV Of Schedule VI Of The Companies Act, 1956.

Balancesheet Abstract And Company's General Business Profile.

I. **Registration Details** : U 72900 MH 2022 PLC 135914

### II. Capital Raised During The Year :(Amount in Rs.Thousands)

Public Issue	:	NIL
Right Issue	:	NIL
Private Placements	:	NIL

### III. Position Of Mobilisation And Deployment Of Funds : (Amount in Rs. Thousands)

Total Liabilities	:	3579831
Total Assets	:	3579831
Sources Of Funds :		
Paid Up Capital	:	51800
Equity Warrants	:	30150
Reserves & Surplus	:	240550
Secured Loans	:	749134
Unsecured Loans	:	569629

#### Application Of Funds :

Net Fixed Assets	:	73802
Investments	:	16092
Net Current Assets	:	1539064
Miscellaneous Expenditure	:	12305
Accumulated Losses	:	NIL

### IV. Performance Of Company:(Amount in Rs.Thousands)

Turnover	:	13749057
Total Expenditure	:	13619868
Profit Before Tax	:	129189
Profit After Tax	:	86727
Earning Per Share in Rupees	:	16.74
Dividend Rate	:	Nil

### V. Generic Names Of The Principal Products/Services Of Company :

Item Code No.(ITC Code)	:	8471 & 8473
Product Description	:	Computer Peripherals, Consumables & Accessories

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

**G.S.Ganesh**  
Director

**Bhavesh H.Mehta**  
Whole Time Director

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

PLACE : MUMBAI  
DATED: 19th April 2011



# COMPUAGE INFOCOM LTD.

Statement under section 212 of the Companies Act 1956 for the financial year ended 2010-11  
Rs. In lacs

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\$=44.60 INR (As on 31/03/2011)
Capital	100.00	1.00	44.60
Reserves ( incl.bal in p&l a/c)	11.45	-39.51	-43.79
Total Assets ( incl. investment)	1114.84	34.79	307.84
Total Liabilities	1001.91	83.36	307.04
Investments (except incase of investments in subsidairy)	13.13	0.00	0.00
Turnover (jncl.other inc.)	2269.04	246.29	3634.86
Profit/(loss) Before Tax	10.83	-31.24	6.23
Provision For Tax	3.41	9.77	0.00
Profit/(loss) After Tax	7.42	-21.47	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, 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.

Place: Mumbai  
DATED: 19th April 2011

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

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

**Mr. Bhavesh Mehta**  
Whole Time Director

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



# COMPUAGE INFOCOM LTD.



# COMPUAGE INFOCOM LTD.

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011.

RUPEES IN LACS

	Schedule	31st March 2011	31st March 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	518.00	518.00
Share Application Money towards Equity Warrants		301.50	301.50
Reserves & Surplus	2	<u>2,307.36</u>	<u>1,592.25</u>
		<u>3,126.86</u>	<u>2,411.75</u>
Minority Interest		18.87	21.12
<b>Loan Funds :</b>			
Secured Loans	3	7,838.09	5,564.26
Unsecured Loans	4	<u>5,748.31</u>	<u>4,787.01</u>
		<u>13,586.40</u>	<u>10,351.27</u>
<b>Total</b>		<u>16,732.13</u>	<u>12,784.14</u>
<b>APPLICATION OF FUNDS</b>			
Goodwill		60.79	60.79
Fixed Assets : Gross Block	5	1,354.48	835.73
Less :Depreciation		<u>515.36</u>	<u>388.51</u>
Net Block		839.12	447.22
<b>Investments</b>	6	27.13	27.13
<b>Current Assets,Loans &amp; Advances</b>			
Inventories	7	14,647.20	10,760.76
Sundry Debtors	8	13,536.93	9,591.98
Cash & Bank Balances	9	2,965.35	2,402.15
Loans & Advances	10	4,137.84	2,895.27
		<u>35,287.32</u>	<u>25,650.16</u>
<b>Less:Current Liabilities &amp; Provisions</b>			
Current Liabilities	11	18,485.32	12,475.83
Provisions	12	<u>1,043.43</u>	<u>891.33</u>
		<u>19,528.75</u>	<u>13,367.16</u>
<b>Net Current Assets</b>		<u>15,758.57</u>	<u>12,283.00</u>
<b>Misc.Expenditure (To the extent not W/off.)</b>		124.42	3.14
<b>Deferred Tax Liability</b>		(77.90)	(37.14)
<b>Total</b>		<u>16,732.13</u>	<u>12,784.14</u>
Notes Forming Part of Accounts	17		

As per report of even date attached For and on behalf of the Board of Directors  
For **B.V.DALAL & Co.** For **COMPUAGE INFOCOM LIMITED**  
CHARTERED ACCOUNTANTS

**M.S.Shah** Partner M.NO.:104640  
**G.S.Ganesh** Director  
**Bhavesh H.Mehta** Whole Time Director  
**Atul H.Mehta** Chairman & Managing Director

PLACE : **MUMBAI**  
DATED : **19th April 2011**

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

- We have audited the attached Consolidated Balance Sheet of 'Compugage Infocom Limited', and its subsidiaries (The CIL Group) as at 31st March, 2011, 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.
- 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.
- 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.
- 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:
  - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - in the case of the Profit and Loss account, of the profit for the year ended on that date; and
  - in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **B.V. DALAL & COMPANY**  
CHARTERED ACCOUNTANTS

**M. S. SHAH**  
Partner  
(M. No. 104640)  
PLACE : **MUMBAI**  
DATED : **19th April 2011**



# COMPUAGE INFOCOM LTD.

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

RUPEES IN LACS

Schedule	31st March 2011	31st March 2010
<b>Income</b>		
Sales	141,320.55	110,055.16
Other Income	106.87	65.96
	<u>141,427.42</u>	<u>110,121.12</u>
<b>Expenditure</b>		
Cost of Goods Sold	13 128,361.28	100,368.18
Employees Cost	14 1,883.08	1,357.83
Administrative & Selling Expenses	15 8,791.31	6,584.58
Interest & Other Financial Expenses	16 987.11	849.72
Depreciation	5 126.87	59.84
	<u>140,149.65</u>	<u>109,220.15</u>
Profit Before Tax	1,277.77	900.97
Provision For Tax -Current	377.50	308.10
-Deffered Tax	40.76	14.33
-Fringe Benefit	-	1.47
Profit After Tax	859.51	577.07
Add : Balance brought forward	1,377.38	921.52
Amount available for Appropriations	<u>2,236.89</u>	<u>1,498.59</u>
Proposed Dividend	103.60	103.60
Dividend Distribution Tax	17.21	17.61
Balance Carried to Balance Sheet	2,116.08	1,377.38
	<u>2,116.08</u>	<u>1,377.38</u>
Basic & Diluted Earning per Share (Rs.)	15.81	10.82
Notes Forming Part of Accounts	17	

As per report of even date attached  
For **B.V.DALAL & Co.**  
CHARTERED ACCOUNTANTS

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

<b>M.S.Shah</b> Partner M.NO.:104640	<b>G.S.Ganesh</b> Director	<b>Bhavesh H.Mehta</b> Whole Time Director	<b>Atul H.Mehta</b> Chairman & Managing Director
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PLACE : **MUMBAI**  
DATED: **19th April 2011**



# COMPUAGE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

RUPEES IN LACS

	31st March 2011	31st March 2010
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
Authorised :		
<b>A. Equity Shares:</b>		
19254000 Equity share of Rs. 10 each	1,925.40	1,925.40
<b>B.Preference Shares:</b>		
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
	<u>341.60</u>	<u>341.60</u>
	<u>2,267.00</u>	<u>2,267.00</u>
Issued ,Subscribed & paid up :		
<b>A. Equity Shares:</b>		
5180000 Equity shares of Rs.10 each fully paid	518.00	518.00
	<u>518.00</u>	<u>518.00</u>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
Capital Redemption Reserve	129.72	129.72
<b>General Reserve :</b>		
Opening/Closing balance	102.00	102.00
Profit and Loss Account balance	2,116.08	1,377.38
Less:Minority Interest	(2.51)	(0.26)
Less:Unrealised profit	42.95	17.11
	<u>2,307.36</u>	<u>1,592.25</u>
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
(Secured against hypothecation of Stocks and Book debts and guaranteed by Directors)		
Cash Credit from Banks (Net of Debit Balances)	6,943.59	5,564.26
Term Loan from Bank (Against office premises).	894.50	-
	<u>7,838.09</u>	<u>5,564.26</u>
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Short Term Loans :		
From Others(Guaranteed by Directors)	5,659.11	4,695.70
Long Term Loans:		
ECB Loan	89.20	91.31
	<u>5,748.31</u>	<u>4,787.01</u>



# COMPUGAME INFOCOM LTD.

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE 5

#### FIXED ASSETS

	Gross Block				Depreciation				Net Block	
	As on 1.4.10	Addition	Deduction	As on 31.3.11	As on 1.4.10	For the Year	Less on Ded.	As on 31.3.11	As on 31.3.11	As on 31.3.10
Land	-	52.70	-	52.70	-	-	-	-	52.70	-
Office Premises	19.78	-	-	19.78	2.54	0.32	-	2.86	16.92	17.24
Information Technology Equipments	490.75	321.88	-	812.63	300.03	97.67	-	397.70	414.93	190.72
Motor Vehicles	59.29	-	-	59.29	18.40	5.63	-	24.03	35.26	40.89
Office Equipment	86.77	63.07	-	149.84	21.79	6.16	-	27.95	121.89	64.98
Furniture & Fixtures	169.78	81.11	-	250.89	43.58	14.72	-	58.30	192.59	126.21
Sub Total	826.37	518.76	-	1,345.14	386.34	124.50	-	510.84	834.30	440.04
Intangible Assets										
Intellectual Property Rights	8.10	-	-	8.10	2.03	2.03	-	4.06	4.04	6.07
Web Site	1.25	-	-	1.25	0.15	0.31	-	0.46	0.79	1.10
Sub Total	9.35	-	-	9.35	2.18	2.34	-	4.52	4.83	7.17
Grand Total	835.73	518.76	-	1,354.48	388.50	126.84	-	515.36	839.13	447.22
Previous Year	625.85	209.87	-	835.72	328.67	59.84	-	388.50	447.22	296.17

RUPEES IN LACS

Schedule	31st March 2011	31st March 2010
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### SCHEDULE 6

#### INVESTMENTS (At Cost)

(Non-Trade - Unquoted)

90,416 Equity Shares of Bombay Mercantile CO-Op Bank Ltd. of Rs.30 each	27.13	27.13
	<u>27.13</u>	<u>27.13</u>

### SCHEDULE 7

INVENTORIES (At cost / Realisable value whichever is lower) 14,690.15 10,777.87

(As taken, valued and certified by Director)

Less: Unrealised profit on unsold Stock	42.95	17.11
	<u>14,647.20</u>	<u>10,760.76</u>



# COMPUGAME INFOCOM LTD.

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

RUPEES IN LACS

31st March 2011	31st March 2010
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### SCHEDULE 8

SUNDRY DEBTORS (Unsecured ,considered good unless stated otherwise)

(Net of Advances)

Outstanding for more than Six months :

Good	132.70	92.66
Doubtful	-	1.03
Others debts		
Good	13,404.23	9,499.32
Doubtful	1.40	0.39
	<u>13,538.33</u>	<u>9,593.40</u>
Less : Provision For Doubtful Debt	1.40	1.42
	<u>13,536.93</u>	<u>9,591.98</u>

### SCHEDULE 9

CASH AND BANK BALANCES

Cash on hand	13.54	10.27
Balances with Banks	57.47	311.32
Margin Money	2,894.34	2,080.56
(Deposits against L/C,pledged with the banks)		
	<u>2,965.35</u>	<u>2,402.15</u>

### SCHEDULE 10

LOANS AND ADVANCES (Unsecured ,considered good )

Advance Tax Payments	1,127.63	815.68
Advances recoverable in cash or in kind or for value to be received	2,603.66	1,782.41
Security Deposits	406.55	297.18
	<u>4,137.84</u>	<u>2,895.27</u>

### SCHEDULE 11

CURRENT LIABILITIES

Bills Payables (Net of Debit balance)	16,952.46	11,752.29
Sundry Creditors		
-Dues to Micro, Small, & medium enterprises.	-	-
-Others	1,532.86	723.54
	<u>18,485.32</u>	<u>12,475.83</u>



# COMPUAGE INFOCOM LTD.

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

RUPEES IN LACS

	31st March 2011	31st March 2010
<b>SCHEDULE 12</b>		
<b>PROVISIONS</b>		
Taxation	922.62	770.12
Proposed Dividend	103.60	103.60
Dividend Distribution Tax	17.21	17.61
	<b>1,043.43</b>	<b>891.33</b>
<b>SCHEDULE 13</b>		
<b>COST OF GOODS SOLD</b>		
Opening Stock	10,777.87	6,930.54
Purchases	132,273.56	104,215.51
Less: Closing Stock	14,690.15	10,777.87
	<b>128,361.28</b>	<b>100,368.18</b>
<b>SCHEDULE 14</b>		
<b>EMPLOYEES COST</b>		
Salaries and Bonus {Including to Directors Rs.108 Lacs (Previous year Rs.108.00 Lacs )}	1,789.78	1,266.16
Gratuity & Leave Encashment	-	16.86
Provident Fund	13.75	7.04
E.S.I.C.	15.65	3.04
Staff Welfare Expenses	63.90	64.73
	<b>1,883.08</b>	<b>1,357.83</b>
<b>SCHEDULE 15</b>		
<b>ADMINISTRATIVE AND SELLING EXPENSES</b>		
Rent and compensation	487.52	335.89
Rates & Taxes	0.22	0.24
Electricity	45.30	39.26
Insurance	48.06	25.73
Sales Tax	6,132.74	4,459.34
Provision for Doubtful Debts	1.01	1.42
Baddebts	1.74	-
<b>Auditors Remuneration</b>		
Audit fees	4.61	3.53
Taxation Matter	3.00	2.50
Other Services	1.50	1.00
Miscellaneous Expenses	2,065.61	1,715.67
	<b>8,791.31</b>	<b>6,584.58</b>



# COMPUAGE INFOCOM LTD.

## SCHEDULE 16

### INTEREST & OTHER FINANCIAL EXPENSES

Interest on Loans	1,162.07	1,041.65
Less: Interest Received	174.96	191.93
{Inclusive of TDS-Rs.21.54 Lacs, (Previous year Rs.19.89 Lacs).}		
	<b>987.11</b>	<b>849.72</b>



**SCHEDULE 17: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.**

**1. Significant Accounting Policies:**

**a. Basis of Preparation:**

(i) 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:

	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%

- (ii) The financial statements have been prepared to comply in all material aspects in respect with notified Accounting Standard Rules, 2006.
- (iii) The financial statements have been prepared under the historical cost convention on accrual basis of accounting method in accordance with the mandatory Accounting standards and Statements issued by the Institute of Chartered Accountants of India and relevant provisions the Companies Act, 1956, as consistently adopted by the company.
- (iv) 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.

(v) 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.

(vi) 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

**b. Use of Estimates & Judgments:**

Management has made certain estimates & assumptions while preparing & presenting the financial statements that affect the reported amounts of assets & liabilities, the disclosure of contingent assets & liabilities, at the year end and amounts of revenues & expenses during the year reported. Actual results could differ from these estimates & adjustments. Any revision arising there from is recognised prospectively in the future period.

**c. Fixed Assets:**

- (i) Fixed Assets are stated at historical cost.
- (ii) Cost includes cost of acquisition or construction and other cost directly attributable to such acquisition and installation but net of VAT, if any, wherever setoff is available.

**d. Depreciation:**

Depreciation is provided under Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. In case of additions during the year, pro rata basis is applied taking the month of purchase as full month. In case of sale, no depreciation is provided for the month of sale.



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

The residual values, if any, and useful lives of plant and equipment are reviewed and adjusted as appropriate at the each balance sheet date. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of plant and equipment.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

**e. Revenue Recognition:**

- (i) 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.
- (ii) Revenue of sales of products and services is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer.
- (iii) Sales are accounted on inclusive of sales tax basis.

**f. Import Purchases:**

Import purchases are recognised only upon physical receipt of consignment at the warehouse of the company; Customs duty paid thereon is hence treated as advance paid.



**g. Foreign currency Transactions:**

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 Profit & Loss account [except those relating to acquisition of fixed assets if any, which are adjusted in the cost of the assets]. All foreign currency assets and liabilities, if any, as at the balance sheet date are restated at closing rate or the forward Contract rate wherever applicable and the amount Rs.372.17 Lacs, (Previous year Rs.247.58 Lacs) is credited to Profit & Loss A/c.

**h. Investments:**

Investments are stated at cost, being long term in nature. Provision for diminution in value of long term Investment is made only if such a decline is other than temporary.

**i. Inventories:**

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

**j. Retirement Benefits:**

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

**k. DEFFERED TAXES**

In accordance with Accounting Standard 22 - "Accounting for Taxes on Income" the Company has recognized Deferred Tax Liability arising out of timing difference between Taxable Income and Accounting Income.

Deferred Tax Assets and Liabilities are stated at the substantively enacted Income Tax rates at the close of the year. Deferred tax assets are created only to the extent they are expected to materialise.



The Breakup of Deferred Tax Liability as at 31st March 2011 is as under.

	(Rs.in Lacs)	
	31.03.11	31.03.10
Difference in Book and Income Tax Depreciation under IT Act 1961	287.40	132.18
Loss carried Forward under IT Act 1961	58.09	26.42
<b>Total Timing Difference</b>	<b>345.49</b>	<b>158.60</b>
Deferred Tax Liability	77.90	37.14

Pursuant to Resolution passed in the Extraordinary General Meeting held on 10th February 2010, The Company has received Application Money of Rs.301.50 Lacs, which is 25% of the value of 18 Lacs Equity Warrants, convertible in to Equity Shares of Rs.10 each at a premium of Rs.57 per Share. This has been utilized for working capital purpose of the Company.

2. Confirmation from Debtors and Creditors are in the process of being obtained as yet.
3. 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.

4. Additional information pursuant to para 4C,4D of part II of Sch VI :

4.1 Particulars of quantitative details pursuant to paragraph 3 of Part II to schedule VI of the companies Act, 1956 are not applicable due to the nature of activity [i.e. Trading] involved and the large number of computers / computer peripherals & accessories.

4.2. Valuation of Imports calculated on C.I.F. basis for the year is RS. 50876.80 Lacs. (Rs. 36285.21 Lacs).

4.3. Expenditure in Foreign currency: (Rs.in Lacs)	(Current period)	(Previous Year)
Traveling	0.64	7.11
Interest	1.56	1.72



4.4. Earning in Foreign currency: (Rs.in Lacs)

Merchanting Trade	77.52 Lacs	52.41 Lacs
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5. Related Party Information:

A. Directors & their relatives:

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

- 1) Atul H.Mehta
- 2) Ajay H.Mehta
- 3) Bhavesh H.Mehta
- 4) Chandulal P. Mehta
- 5) Biju Bruno
- 6) Bhavesh Gandhi
- 7) Tarun Gandhi

B. Other Related parties:

- 1) Trillizo Holdings Limited
- 2) Active Infocom

Transactions with related parties: (Rs.in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest Paid to A above	Rs.32.07	Rs. 30.61
2	Remuneration Paid to A above	Rs. 146.59	Rs. 108.00
3	Rent Paid to B Above	Rs.9.00	Rs 19.85
4	Consultancy Charges paid to A Above	Rs.47.13	NIL
5	Web Development Charges paid to B Above	Rs.6.25	Rs.7.50
6	Outstanding Recivables as at balance sheet date from B above	Rs.138.00	Rs.138.00
7	Outstanding payables as at balance sheet date to A & B Above	Rs.383.91	Rs.56.75

6. The company is in the business of distribution of computer parts & peripherals in India having similar risks and rewards and therefore there is only one geographical and business segment.



# COMPUAGE INFOCOM LTD.

## 7. Particulars of earning per share

	Current Year	Previous Year
Net profit for the year (Rs.Lacs)	Rs.819.07	Rs.560.22
Number of shares (Equity Shares)	5180000	5180000
Nominal Value of the share (Rs.)	10.00	10.00
Basic & Diluted Earning per share (Rs.)	Rs.15.81	Rs.10.82

## 8. 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 reserved depending on changes in circumstances.

9. Figures of the previous year have been regrouped wherever necessary.

As per our report of even dated attached  
For **B.V.DALAL & CO.**  
**CHARTERED ACCOUNTANTS**

For **COMPUAGE INFOCOM LIMITED**

<b>M.S.Shah</b> Partner M.NO.104640 Place: - Mumbai Dated: - 19th April 2011.	<b>G.S.Ganesh</b> Director	<b>Bhavesh H.Mehta</b> Whole Time Director	<b>Atul H. Mehta</b> CMD
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# COMPUAGE INFOCOM LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2011

	31st March 2011	31st March 2010
<b>A. Cash Flows from operating activities</b>		
Net Profit Before Tax & Extraordinary items	1,277.77	900.98
Adjustment for :		
Depreciation	126.87	59.84
Interest received	(174.96)	(191.93)
Interest	1041.65	1,049.04
Loss/(profit) on sale of Assets	-	-
Miscellaneous exp w/off	-	1.77
<b>Operating profit before Working Capital changes</b>	<b>2,271.33</b>	<b>1,819.70</b>
Decrease/(Increase) in Sundry Debtors	(3,944.95)	115.41
Decrease/(Increase) in Inventories	(3,912.32)	(3,847.33)
Decrease/(Increase) in Loans & Advances	(1,242.57)	(1,362.96)
Increase /(Decrease) in Current Liabilities	6,009.49	2,073.09
Increase /(Decrease) in Provisions for taxes	(225.00)	(115.00)
Increase /(Decrease) in Deferred taxes	-	-
Total	<b>(3,315.35)</b>	<b>(3,136.79)</b>
Income Tax	-	-
Fringe Benefit Tax	-	(2.05)
<b>Net Cash Inflow/(Outflow) from operating activities.....</b>	<b>(1,044.01)</b>	<b>(1,319.14)</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(518.75)	(209.87)
Proceeds of Sale of Fixed Assets	-	-
Equity Shares purchases	-	(26.32)
Interest received	174.96	191.93
<b>Net Cash Inflow/(Outflow) from Investing activities.....</b>	<b>(343.79)</b>	<b>(44.26)</b>
<b>C. Cash Flows from Financing Activities</b>		
Share Application money received	-	301.50
Long Term Borrowings	1,855.80	1,057.56
Redemption of Preference Shares	-	(211.82)
Working Capital Borrowings	1,379.33	2,441.49
Interest Paid	(1,041.65)	(1,049.04)
Dividend & Dividend Distribution Tax Paid	(121.21)	-
Miscellaneous expenses to the extent now w/off	(121.28)	-
<b>Net Cash Inflow/(Outflow) from Financing activities.....</b>	<b>1,950.99</b>	<b>2,539.69</b>
Net Increase/(Decrease) in cash and cash Equivalents.....	563.20	1,176.29
Cash and cash Equivalents as at beginning of the year	2,402.15	1,899.48
Cash and cash Equivalents as at end of the period	<b>2,965.35</b>	<b>3,075.73</b>
	<b>563.20</b>	<b>1,176.28</b>

We have examined the above cash Flow statement of Compuage Infocom Limited for the period ended 31st March 2011. This statement has been prepared by the company in accordance with the requirement under clause 32 of the Listing. Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the company as at 31st March 2011.

As per report of even date attached

For **B.V.DALAL & Co.**  
**CHARTERED ACCOUNTANTS**

<b>M. S. Shah</b> Partner M.NO.:104640 PLACE : MUMBAI DATED: 19th April 2011	<b>G. S. Ganesh</b> Director	<b>Bhavesh H. Mehta</b> Whole Time Director	<b>Atul H. Mehta</b> Chairman & Managing Director
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