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COMPUAGE INFOCOM LTD.
3, DHURU BUILDING,
329, VITHALBHAI PATEL ROAD,
MUMBAI - 400 004

COMPUAGE INFOCOM LTD.



Speed
Reliability
Valueperformance



11th Annual Report

2009-10

COMPUAGE INFOCOM LTD.

Eleventh Annual Report 2009-2010

Board of Directors

Atul H. Mehta
Bhavesh H. Mehta
G.S. Ganesh
Vijay Agarwal
Preeti Trivedi (w.e.f. 29/10/2009)

Company Secretary

Nilufer Irani

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

Bankers

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

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF COMPUAGE INFOCOM LIMITED WILL BE HELD ON 14TH AUGUST 2010 AT 10 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 2010 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 Mr. Vijay Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. B.V.Dalal & Co. Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Ms. Preeti Trivedi, who was appointed as an additional director of the Company by the Board of Directors of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.”

6. **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 81(1A) of the Companies Act, 1956 (the “**Companies Act**”), Listing Agreements with each of the Stock Exchanges where equity shares of the Company are listed (the “**Listing Agreements**”) and the Foreign Exchange Management Act, 1999 (“**FEMA**”), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and the rules and regulations made thereunder including the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations, 2000, all as amended from time to time, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant and the Memorandum and Articles of Association of the Company and subject to all the necessary approvals, consents, sanctions and/or permissions of Government of India (“**GOI**”), Reserve Bank of India (“**RBI**”), Foreign Investment Promotion Board (“**FIPB**”),

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Securities and Exchange Board of India (“SEBI”), Stock Exchanges and / or other regulatory authorities and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, sanctions and/or permissions which may be agreed to by the Board of Directors of the Company (the “Board”, hereinafter shall be deemed to include any committee thereof) be and is hereby authorised to issue, offer and allot (including provision of reservation on firm and/or comparative basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more domestic or international offering(s), with or without green shoe option, including by way of Qualified Institutions Placements under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, (“SEBI ICDR Regulations”) to eligible investors whether or not such investors are members of the Company or whether such investors are Indian or foreign, including qualified institutional buyers, domestic/foreign investors/ institutional investors/foreign institutional investors, members, employees, non-resident Indians, companies or bodies corporate whether incorporated in India or abroad, trusts, mutual funds, banks, financial institutions, insurance companies, pension funds, individuals or otherwise, whether shareholders of the Company or not, through a public issue, rights issue, preferential issue and/or private placement, with or without an over-allotment option, equity shares and/or equity shares and whether by way of circulation of an offering circular or placement document or otherwise, securities including equity shares and/or instruments or securities convertible into equity shares of the Company such as Global Depository Receipts (“GDRs”) and/or American Depository Receipts (“ADRs”) and/or foreign currency convertible bonds (“FCCBs”) and/or convertible preference shares and/or, fully convertible debentures and/or, partly convertible debentures and/or, non convertible debentures and/or any one or more or combination of the above (hereinafter referred to as “Securities”) for an amount not exceeding Rs. 60 Crores (Rupees Sixty Crores only) at such price, either with or without premium as may be determined by the Board, at the option of the Company, as the case may be, and such issue and allotment be made in one or more tranches, on such terms and conditions as may be decided by the Board at the time of issue or allotment.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities proposed to be issued in accordance with the SEBI ICDR Regulations or FEMA shall be the date of the meeting in which the Board decides to open the issue of Securities, subsequent to receipt of members’ approval in terms of section 81(1A) and other applicable provisions, if any, of the Companies Act and other applicable rules, regulations and guidelines in relation to the proposed issue of the securities, *inter alia*, through qualified institutions placement(s) to qualified institutional buyers in accordance with SEBI ICDR Regulations.

RESOLVED FURTHER THAT in case of any equity linked issue/offering, including without limitation, any GDR/ADR/FCCB offering, the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above or as may be in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank *pari passu* with the existing equity shares of the Company in all respects.

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RESOLVED FURTHER THAT issuance of Securities by way of QIP as mentioned above shall be in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations for Qualified Institutions Placements and the provisions of FEMA, the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations, 2000, Memorandum and Articles of Association of the Company and Listing Agreements with the Stock Exchanges where the equity shares of the Company are listed.

RESOLVED FURTHER THAT in the event of issue of securities by way of Qualified Institutions Placements

- a) the relevant date for the pricing of the securities proposed to be issued in accordance with the SEBI ICDR Regulations, shall be in accordance with clause 85 of the SEBI ICDR Regulations;
- b) the allotment of securities shall be completed within 12 months from the date of passing of these resolutions approving the proposed issue or such other time as may be allowed by SEBI from time to time;
- c) the total amount raised in such manner should not, together with the over-allotment option exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year; and
- d) the securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the number and/or conversion price in relation to the equity shares that may be allotted on conversion of Securities that may be issued through Qualified Institutions Placement(s) in accordance with the SEBI ICDR Regulations shall be appropriately adjusted against corporate actions such as bonus issue, rights issue, splits and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorised and/or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international market.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such act, deeds matters and things including but not limited to preparation, amendment, alteration, variation, finalization and approval of preliminary or final offer or placement documents, determining form and manner of issue, including the class of investors to whom securities are to be issued and allotted, the

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number of securities to be allotted, issue price, face value, execution of various transaction documents, as it may in its absolute discretion think fit, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of issue proceeds as it may in its absolute discretion deem fit without being required to seek further permissions, consents or approvals of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT consent of the Company be and is hereby granted in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act and subject to all the approvals of the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgage and/or charge on all or any of the Company's immovable, movable and/or intangible assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of securities or as the case may be necessary in accordance with the terms of offering all such equity shares which shall rank *pari passu* with the existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of securities may have all or any terms or combination of terms including as to conditions in relation to payment of dividend, pre-payment and variation of the conversion price of the securities during the tenure of the Securities and the Company is also entitled to appoint, engage, enter into and execute all such arrangements/agreements as the case may be with lead managers, managers, underwriters, bankers, financial institutions, merchant bankers, solicitors, advisors, guarantors, depositories, custodians or other intermediaries in such offerings of securities and to remunerate all such agencies including payment of commission, brokerage, fees or payment of their remuneration for their services or the like and also to seek the listing of securities on one or more stock exchanges in India or overseas.

RESOLVED FURTHER THAT in the event of issue of Securities by way of GDRs and / or ADRs, the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board decides to open the proposed issue of Securities;

RESOLVED FURTHER THAT such of the Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution(s)

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and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to resolve and settle all questions and difficulties that may arise in the proposed issue / offer, allotment and conversion of any of the aforesaid Securities, utilization of the issue proceeds and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board be and is hereby authorised to take all such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary in this regard."

By Order of the Board of Directors
For Compuage Infocom Limited

Atul H.Mehta
Chairman & Managing Director

Place : Mumbai
Date: July 9, 2010

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

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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.**

A proxy form duly completed and stamped, must reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

- 2) The register of members and the share transfer books of the company will remain closed from 12th August 2010 to 14th August 2010 (both days inclusive) in connection with the Annual General Meeting.
- 3) The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in regard to the business as set out in item No. 5 and 6 above is annexed.
- 4) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the said Meeting.
- 5) Members / Proxies / Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
- 6) Members are requested to send the advice about change in address / any other details to the Company's Registrar and Transfer Agent, Link Intime India Private Limited in respect of Equity Shares held in physical form and to their respective Depository Participants in respect of Equity Shares held in dematerialised form.

For any assistance or information about transfer of shares, dividend, etc. Members may contact the Company's Registrar and Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED

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

- 7) Pursuant to the provisions of Sections 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.

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INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

1. Item No. 3 of the Notice

Name : Mr. Vijay Agarwal
Age : 53 years
Qualification : Chartered Accountant
Date of appointment : 31.12.2005
Expertise :

Mr. Vijay Agarwal is a Practicing chartered Accountant for last 25 years specialized in corporate Advisory, Tax and Audit field. As an independent director & Chartered Accountant by Profession he has been adding immense value to the Group. He is a member of the Audit Committee and Share Transfer & Investor Grievance Committee of Compuage Infocom Limited. His holding in the Company is Nil Shares.

2. Item No. 5 of the Notice

Name : Ms. Preeti Trivedi
Age : 52 years
Qualification : Chartered Accountant
Date of appointment : 29.10.2009
Expertise:

A Fellow Chartered Accountant with over 20 years' experience in the field of Management Consulting & Corporate Finance. Extensive experience in areas of Business & Share Valuation, Corporate Restructuring, Mergers & Amalgamation, Strategic Advisory services relating to Joint Ventures, FIPB and EOU, Due Diligence, Relevant Tax and Co. Law Advice, Financial Planning and Project Funding. She is the Chairperson of Share Transfer & Investor Grievance Committee and a member of Audit Committee, Remuneration Committee and Management performance Review Committee of Compuage Infocom Limited. Her holding in the Company is Nil shares.

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

Atul H. Mehta
Chairman & Managing Director

Place : Mumbai
Date: July 9, 2010

Registered Office:

Compuage Infocom Limited
3, Dhuru Building,
329, Vithalbhai Patel Road,
Mumbai-400 004.

COMPUAGE INFOCOM LTD.

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

Item No.5

Ms. Preeti Trivedi is a Fellow Chartered Accountant with over 20 years' experience in the field of Management Consulting & Corporate Finance. Extensive experience in areas of Business & Share Valuation, Corporate Restructuring, Mergers & Amalgamation, Strategic Advisory services relating to Joint Ventures, FIPB and EOU, Due Diligence, Relevant Tax and Co. Law Advice, Financial Planning and Project Funding. Looking at her vast experience, she was appointed as Additional Director by the Board of Directors of the Company ("the Board") on 29th October 2009. Pursuant to section 260 of the Companies Act, 1956("the Act"), Ms. Preeti Trivedi holds office upto the date of Annual General Meeting of the Company. Notices have been received from the members of the Company in pursuance of section 257of the Act, proposing Ms. Preeti Trivedi as a candidate for the office of Director of the Company. Ms. Preeti Trivedi has given her consent, if appointed to act as Director of the Company.

Item No.6

Raising Long-Term Funds Through Further Issue Of Securities

The Special Resolution contained in the Notice at Item No. [6] relates to a proposal by the Company to issue equity shares or instruments which provide for conversion into equity shares (hereinafter referred to as "**Securities**") including by means of issue of Securities to Qualified Institutional Buyers ("**QIBs**") as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**") and GDR ADR/FCCBs issue.

The Company proposes to use the funds to enhance the Company's Infrastructure and finance the working capital needs of the Company. This would help to strengthen the financial position and capital base of the Company.

It is proposed to raise funds through the said issue of Securities not exceeding an amount of Rs. 60 Crores (Rupees Sixty Crores only) as contemplated in the resolutions set above. The authority is proposed to be vested in the Board of directors of the Company.

The Special Resolution also seeks to empower the Board to undertake a qualified institutional placement with qualified institutional buyers as defined under the SEBI ICDR Regulations apart from other options of private/public placements. The Board, may in its discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations. The pricing of the Securities to be issued to qualified institutional buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The pricing of the Securities in other mode of placements would be as per applicable statutory provisions.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion would be subject to the availability of regulatory approvals, as applicable to the particular issue/allotment/conversion. The conversion of

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Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap under the prevailing Foreign Direct Investment norms applicable to the Company.

The detailed terms and conditions of the issue as and when made will be determined by the Board in consultation with merchant bankers, lead managers, advisors and experts in accordance with the terms of approval of the GOI, RBI or any other relevant authorities as may be required.

The proposed issue of securities may be in one or more tranches as a result of which there will be increase in the issued and subscribed capital of the Company.

The Issue, allotment or conversion of the securities shall be subject to necessary approvals, if any.

Section 81(1A) of the Companies Act and the Listing Agreement with the Stock Exchanges provides, *inter alia*, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares should be first offered to the existing shareholders of the Company in the manner laid down under section 81 unless the shareholders in the general meeting authorise otherwise. Since the special resolution proposed in the business of the notice will result in the issue of shares to the persons other than existing members of the Company, consent of the shareholders is being sought pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act and Listing Agreements.

For reasons above, an enabling resolution is proposed for consideration of the shareholders which has the effect of having an adequate authority and discretion to the Board to finalise the terms of issue, pricing of issue and power to issue and market any securities to be issued, whether in one or more tranches. The equity shares that may be issued pursuant to the guidelines and directions in respect of Qualified Institutions Placements under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be listed on the stock exchanges where the equity shares of the Company are already listed.

The Board recommends passing of the special resolution as set out for your approval.

None of the directors of the Company is, in anyway, interested in the said resolution.

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

Atul H. Mehta
Chairman & Managing Director

Place : Mumbai
Date: July 9, 2010

Registered Office:
Compuage Infocom Limited
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 2010.

FINANCIAL HIGHLIGHTS :

The highlights of the Financial Results are:

(Rs. In Lacs)

Particulars	Current Year 2009-2010	Previous Year 2008-2009
Sales & Other Income	108849.36	80427.45
Profit before Taxation & Depreciation	1010.45	755.44
Less: Depreciation	55.17	38.82
Profit after depreciation	955.28	716.62
Less: Provision for taxation	325.09	252.42
Fringe Benefit Tax	1.36	19.95
Profit after Tax Provision	628.83	444.25
Balance brought forward	919.70	605.17
Amount available for Appropriation:	1548.53	1049.42
Less: Transfer to Capital Redemption Reserve	NIL	129.72
Proposed Dividend	103.60	NIL
Dividend Distribution Tax	17.61	NIL
Balance Carried to Balance Sheet	1427.32	919.70

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. 108849.36 lacs registering a growth of 35% and consolidated revenue growing to Rs. 110121.12 lacs, registering a growth of 36.20%.

The profit after tax grew to Rs 628.83 lacs, growing by 41.55% over the previous year. Consolidated profit after tax grew to Rs. 577.07 lacs, growing by 29.36%.

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

DIVIDEND:

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2010 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, 2010 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, 2010, 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. 1601 lacs and has made a net profit before tax of Rs. 3.38 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 for the year ended March 31, 2010 by the Ministry of Corporate Affairs from attaching to its Balance sheet, the Individual Annual Reports of its subsidiary Companies. As per the terms of the Exemption letter, a statement containing the brief financial details of the Companies Subsidiaries for the year ended March 31, 2010 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

COMPUAGE INFOCOM LTD.

available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the Registered Offices of the respective subsidiary Companies.

INFORMATION TECHNOLOGY:

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

INTERNAL AUDIT:

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

DIRECTORS:

Mr. Vijay Agarwal retires by rotation from the Board in the forthcoming Annual General Meeting and being eligible offers himself for reappointment at the said Annual General Meeting.

The Board of Directors at its meeting held on 29th October 2009 appointed Ms. Preeti Trivedi as an Additional Director of the Company and holds office upto the date of the ensuing Annual General meeting and is eligible for appointment. Mr. C. Subramaniam resigned as a Director of the Company w.e.f. 29th October 2009.

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.

COMPUAGE INFOCOM LTD.

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, 2010, 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, 2010 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, 2010 have been prepared on a 'going concern basis'.

MANAGEMENT DISCUSSIONS & ANALYSIS

Compuage Management kept reviewing the worldwide economic situation and its resulting impact on India and the Indian Hardware Industry closely. The management after several deliberations decided to adopt a conservative approach to ensure that its assets were well protected. Any cautious approach does result in some loss of revenue. But, only in the short run. By not getting into any tight situations and with its confidence intact, it is well prepared to capitalise on the opportunities at an opportune moment.

The company directed its energies towards strengthening its systems, processes and its teams' skill sets preparing for tomorrow. The future potential for the company unquestionably remains very bright

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.

COMPUAGE INFOCOM LTD.

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. 52.41 lacs through Merchanting Trade Activity.

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 2010 is RS. 35631.27 Lacs. (Rs. 16442.35 Lacs in previous year)

2. Expenditure in Foreign currency: (Rs.in Lacs)	(Current Year)	(Previous Year)
Traveling	6.86	NIL
Interest	1.72	3.03

PARTICULARS OF EMPLOYEE:

Statement of Particulars of Employees under Sec 217 2(A) for the period ended 31st March, 2010.

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 (49)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA – U.S.A (22)	60,00,000 /-	Compuage Electronics Ltd. Chairman & Managing Director
Bhavesh H. Mehta (37)	Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (15)	48,00,000 /-	Compuage Electronics Ltd. Director
Sunil M. Mehta (38)	Vice - President - Finance (04.05.1999)	Chartered Accountant (15)	30,50,000/-	Compuage Electronics Ltd. VP-Finance
Anand Vardhan (38)	Vice - President - Sales & Marketing (02.02.2009)	Post Graduate Degree in English (18)	35,19,987/-	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,

COMPUAGE INFOCOM LTD.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS :

The consolidated Financial Statements are attached. The consolidated network as on 31st March 2010 is Rs.24 crs.

ACKNOWLEDGEMENTS:

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

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

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

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

Atul H. Mehta
Chairman & Managing Director

Place : Mumbai
Date: July 9, 2010

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

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

The Corporate Governance philosophy has been scripted as under:

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

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

CORPORATE GOVERNANCE

Your Company believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information 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.

A. 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	2	NONE	NONE
Mr. G.S.Ganesh	Non-executive Independent	2	NONE	NONE
Mr. Vijay Agarwal	Non-executive Independent	6	3	NONE
*Ms. Preeti Trivedi	Non-executive Independent	NONE	NONE	NONE
**Mr. C. Subramanian	Non-executive Independent	6	NONE	NONE

* Appointed as an additional director w.e.f. 29.10.2009

**Mr. C. Subramaniam resigned from the Board of Directors of the Company on 29.10.2009

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,

COMPUAGE INFOCOM LTD.

membership of board committees (audit/investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

Mr. Vijay Agarwal 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) dated August 14, 2010.

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. Twenty Five Board Meetings were held during the year on 14th April 2009, 20th April 2009, 15th May 2009, 26th May 2009, 29th May 2009, 1st June 2009, 15th June 2009, 29th June 2009, 3rd July 2009, 6th July 2009, 16th July 2009, 24th July 2009, 29th July 2009, 30th July 2009, 13th August 2009, 4th September 2009, 12th October 2009, 29th October 2009, 23rd November 2009, 3rd December 2009, 15th December 2009, 14th January 2010, 30th January 2010, 2nd March 2010 and 23rd March 2010.

Name of the Directors	No. of Board Meetings Held	No. of Board Meeting Attended	Attendance at last A.G.M.
Mr. Atul Mehta	25	25	YES
Mr. Bhavesh Mehta	25	25	YES
Mr. G. S. Ganesh	25	25	YES
Mr. Vijay Agarwal	25	25	YES
*Ms. Preeti Trivedi	7	7	NA
**Mr. C. Subramaniam	18	18	YES

*Ms. Preeti Trivedi was appointed as an additional director of the Company on 29.10.2009

**Mr. C. Subramaniam resigned from the Board of Directors of the Company on 29.10.2009

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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 the Directors	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	1
**Mr. C. Subramaniam	Non-executive Independent	Member	3

* Ms. Preeti Trivedi was appointed as an additional director on 29th October 2009 and was made a member of the audit committee in place of Mr. C. Subramaniam .

**Mr. C. Subramaniam a member of the audit committee resigned as a director from the Company on 29th October 2009 and attended 3 audit committee meetings during the year. 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.

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For the financial year 1st April, 2009 to 31st March, 2010 four meetings were held viz. 14th April, 2009, 30th July, 2009, 29th October, 2009, & 30th January, 2010

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 2009 to 31st March 2010, Remuneration Committee met on 14th April, 2009. The attendances of members for the meetings are as follows:

Name of the Directors	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	0
**Mr. C. Subramaniam	Non-executive Independent	Member	1

* Ms. Preeti Trivedi was appointed as an additional director on 29th October 2009 and was made a member of the remuneration committee in place of Mr. C. Subramaniam

**Mr. C. Subramaniam a member of the remuneration committee resigned as a director from the Company on 29th October 2009 and attended 1 remuneration committee meeting during the year.

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**	3 years w.e.f. 8th September, 2008 to 07.09.2011
Mr. Bhavesh Mehta	Whole Time Director	Rs. 4800000**	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.

COMPUAGE INFOCOM LTD.

a) The constitution of the Committee and the presence of members for the meetings held on 5th June 2009 and 19th June 2009 are as Follows:

Name of the Directors	Category	Designation	No. of meeting attended
*Ms. Preeti Trivedi	Non-executive Independent	Chairperson	0
Mr. Atul Mehta	Chairman & Managing Director	Member	2
Mr. G.S. Ganesh	Non-executive Independent	Member	2
**Mr. C. Subramaniam	Non-executive Independent	Chairman	2

* Ms. Preeti Trivedi was appointed as an additional director on 29th October 2009 and was made a chairperson of the Share Transfer and Investor Grievance committee in place of Mr. C. Subramaniam

**Mr. C. Subramaniam the chairman of the Committee resigned as a director from the Company on 29th October 2009 and attended 2 share Transfer and Investor Grievance committee meeting during the year.

b) Name & Designation of Compliance Officer: Mr. Nilufer Irani
Tel No.- 23842200
Fax No.- 23842210

c) Number of Shareholder Complaints received so far : 4

d) Number of Complaints not solved to satisfaction: **NIL**

e) Number of pending Complaints: **NIL**

GENERAL BODY MEETINGS

Location and time of General Meetings held in last 3 years:

Year	AGM/ EGM	Date	Time	Venue	Special Resolutions
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.

COMPUAGE INFOCOM LTD.

Year	AGM/EGM	Date	Time	Venue	Special Resolutions
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, Slater 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)
2007-08	EGM	14/09/2007	11.00 a.m.	Hotel Kohinoor Park, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai – 400 025.	a) Reduction of Capital b) Sub – division of 12% cumulative Preference Share Capital c) Alteration of Capital clause of the Memorandum of Association d) Alteration of Capital clause of the Article of Association
2007-08	8th AGM	14/09/2007	10.00 a.m.	Hotel Kohinoor Park, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai – 400 025.	No Special Resolutions passed

COMPUAGE INFOCOM LTD.

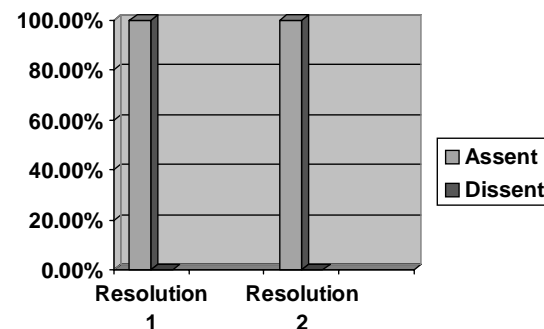
2. Postal Ballot:

During the year ended on March 31, 2010 the Company sought the approval of its members by way of Postal Ballot, notice dated 20th March, 2009. 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 13th May, 2009.

(a) Special Resolutions passed during the financial year 2009-10 through the Postal Ballot Procedure:

During the financial year 2009-10, 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) Amendment in the Articles of Association by inserting Articles 7A to 7D in respect of the issue of share warrants.
- 2) Issue of Equity Shares or warrants convertible to Equity Shares or a combination of both or any other securities on a rights basis to the existing Equity Shareholders of the Company.



Note:

Resolution No. 1 was passed with 99.96% 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.

COMPUAGE INFOCOM LTD.

- 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 CFO 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.

IV. SHAREHOLDER INFORMATION

1. ANNUAL GENERAL MEETING

- * **Date and Time** : 14th August 2010 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: 17th April, 2010

3. Posting of Annual Report: on or before 20th August, 2010

4. Book Closure Date: 12th August 2010 to 14th August 2010

COMPUAGE INFOCOM LTD.

5. Dividend payment date : on & after 25th August 2010

6. Financial year : 1st April, 2009 to 31st March, 2010

7. Last date of receipts of proxy forms: 12th August 2010

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 C1FC

1. Stock Price Data:

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

Month	High	Low
April, 2009	37.85	25.70
May, 2009	59.50	25.35
June, 2009	60.00	40.70
July, 2009	49.85	33.40
August, 2009	65.60	40.00
September, 2009	72.15	53.30
October, 2009	60.00	52.20
November, 2009	66.00	45.50
December, 2009	68.00	50.25
January, 2010	98.40	61.95
February, 2010	82.35	64.40
March, 2010	82.00	58.15

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

COMPUAGE INFOCOM LTD.

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.

11. Distribution of shareholding as on 31st March 2010:

No. of Equity Shares held	SHAREHOLDERS		SHARES AMOUNT	
	Nos.	%	Rs.	%
NOS				
Upto-5000	2509	91.60	2625580	5.07
5001-10000	97	3.54	713780	1.38
10001-20000	65	2.37	934790	1.80
20001-30000	15	0.55	359830	0.69
30001-40000	13	0.47	444440	0.86
40001-50000	7	0.26	297640	0.58
50001-100000	15	0.55	1113570	2.15
100001 – Above	18	0.66	45310370	87.47
Total	2739	100.000	51800000	100

12. Category of Shareholdings as on 31st March, 2010:

Category	No. of shares	% of Shareholding
Other Bodies Corporate	102388	1.98
Clearing Member	4688	0.09
Directors	2566126	49.54
Foreign Banks	8275	0.16
Foreign Company	54725	1.056
Foreign Institutional Investor	9238	0.18
Hindu Undivided Family	8757	0.17
Market Maker	12500	0.24
Nationalised Banks	40	0.00
Non Resident Indians	590005	11.39
Non Resident (Non Repatriable)	891	0.02
Public	539383	10.41
Relatives of Directors	1282984	24.77
Total	5180000	100.00

COMPUAGE INFOCOM LTD.

13. Financial Release Dates for 2010-2011:

Quarter	Release Date (Tentative and subject to change)
1 st Quarter ending 30 th June	Mid August, 2010
2 nd Quarter ending 30 th September	Mid November, 2010
3 rd Quarter ending 31 st December	Mid February, 2011
4 th Quarter ending 31 st March	End of May, 2011

14. Demat Position as on 31st March, 2010:

Total No. Of Fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
1	2	3	4	5
5180000	5004701	96.62	175299	3.38

(b) Details of Locked-in Shares:

(i) Pre- preferential holdings:

As on 2nd March, 2010, the date of allotment of 18, 00,000 warrants convertible into Equal number of Equity Shares on preferential basis to Mr. Atul Mehta and Mr. Bhavesh Mehta , the promoters of the Company, the aforesaid promoters Mr. Atul Mehta and Mr. Bhavesh Mehta holds a total of 1282984 and 1282985 equity shares respectively which are locked in upto 10th September 2010

(15) Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion.

The Company has not so far issued any GDRs/ADRs/Warrants, therefore question of outstanding GDRs / ADRs etc as at end of March 2010, 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:

COMPUAGE INFOCOM LTD.

(i) Registrar & Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai-400078.
Tel: 91-22- 25946970-78
Fax: 91-22- 25946969
E-mail: rnt.helpdesk@linkintime.co.in

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

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

DECLARATION

To the Shareholders of Compuage Infocom Limited

Sub: Compliance with Code of Conduct

In accordance with Clause 49(l)(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, 2010

For Compuage Infocom Limited

**Mumbai
9th July 2010**

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

COMPUAGE INFOCOM LTD.

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

Sub: Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) On Financial Statements of the Company for the year ended 31st March 2010

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

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

Mr. Atul Mehta
Chairman and Managing Director
Place: Mumbai
Date: 9th July 2010

Mr. Sunil Mehta
VP-Finance

Annexure to the Directors' Report

Auditors' Certificate on Corporate Governance.

To the Members of the COMPUAGE INFOCOM LIMITED

1. We have examined compliance of the conditions of Corporate Governance by Compuage Infocom Ltd, for the year ended on 31st, March 2010 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, 2010, the Registrars of the Company have certified that as at 31st March, 2010, 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 : **9th July 2010**

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, 2010, 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;

COMPUAGE INFOCOM LTD.

- 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 & OMPANY
Chartered Accountants**

**Place: Mumbai
Dated: 17th April 2010**

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

COMPUAGE INFOCOM LTD.

ANNEXURE TO AUDITORS' REPORT

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

- (i) (a) The Company is in the process of maintaining 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. In the absence of records vide clause (a) above, the question of discrepancies did not arise.
- (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, 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. 212.59 lacs and the year end balance of unsecured loans to such parties was Rs. 162.31 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 6 parties covered in the said register from which the Company has taken loans. The maximum amount involved during the year was Rs. 458.78 lacs and the year-end balance of unsecured loans taken from such parties was Rs. 9.50 lacs; and
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301

COMPUAGE INFOCOM LTD.

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, 2010 for a period of more than six months from the date they became payable.
- (x) The company neither has accumulated losses nor it has incurred any cash losses during the current financial year and the immediately preceding financial year.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to financial institutions or banks. There are no debenture holders.

COMPUAGE INFOCOM LTD.

- (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 : 17th April 2010**

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

COMPUAGE INFOCOM LTD.

BALANCESHEET AS AT 31ST MARCH 2010.

RUPEES IN LACS

	Schedule	31st March 2010	31st March 2009
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	518.00	729.82
Share Application Money towards Equity Warrants Reserves & Surplus	2	301.50 1659.04 <u>2478.54</u>	0.00 1151.42 <u>1881.24</u>
Loan Funds :			
Secured Loans	3	5924.83	3516.98
Unsecured Loans	4	4725.93	3690.20
		<u>10650.76</u>	<u>7207.18</u>
Total		<u>13129.30</u>	<u>9088.42</u>
APPLICATION OF FUNDS			
Fixed Assets : Gross Block	5	786.46	593.39
Less :Depreciation		<u>380.20</u>	<u>325.03</u>
Net Block		406.26	268.36
Investments	6	161.27	90.00
Current Assets,Loans & Advances			
Inventories	7	10334.85	6663.90
Sundry Debtors	8	9560.43	10029.12
Cash & Bank Balances	9	3022.22	1813.07
Loans & Advances	10	2957.87	1674.86
		<u>25875.37</u>	<u>20180.95</u>
Less:Current Liabilities & Provisions			
Current Liabilities	11	12379.51	10848.09
Provisions	12	891.01	577.02
		<u>13270.52</u>	<u>11425.11</u>
Net Current Assets		12604.85	8755.84
Deferred Tax Liability		(43.09)	(25.78)
Total		<u>13129.30</u>	<u>9088.42</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 **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: **17th April 2010**

Nilufer Irani
Company Secretary

COMPUAGE INFOCOM LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

RUPEES IN LACS

	Schedule	31stMarch 2010	31stMarch 2009
Income			
Sales		108780.17	80371.28
Other Income		69.19	56.17
		<u>108849.36</u>	<u>80427.45</u>
Expenditure			
Cost of Goods Sold	13	99449.11	72298.80
Empolyees Cost	14	1240.91	972.29
Administraive & Selling Expenses	15	6340.72	5096.42
Interest & Other Financial Expenses	16	808.17	1304.50
Depreciation	5	55.17	38.82
		<u>107894.08</u>	<u>79710.83</u>
Profit Before Tax		955.28	716.62
Provision For Tax-Current		307.78	240.00
- Deffered Tax Assets / Liability		17.31	8.02
- Fringe Benefit Tax		1.36	19.95
Add/Less : Excess provision w/back/w.off		0.00	4.40
Profit After Tax		628.83	444.25
Add : Balance brought forward		919.70	605.17
Amount available for Aproprations		<u>1548.53</u>	<u>1049.42</u>
Less : Transfer to Capital Redemption Reserve		0.00	129.72
Proposed Dividend		103.60	0.00
Dividend Distribution Tax		17.61	0.00
Balance Carried to Balance Sheet		<u>1427.32</u>	<u>919.70</u>
		<u>1548.53</u>	<u>1049.42</u>
Basic & Diluted Earning per Share (Rs.)		12.14	8.58
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: **17th April 2010**

Nilufer Irani
Company Secretary

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2010	31st March 2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
A. Equity Shares:		
19254000 Equity share of Rs. 10 each	1925.40	1925.40
B.Preference Shares:		
4665600 Preference shares of Rs.0.10 (Ten paise) each	4.67	4.67
3369344 Preference shares of Rs.10 each	<u>336.93</u>	<u>336.93</u>
	341.60	341.60
	<u>2267.00</u>	<u>2267.00</u>
Issued ,Subscribed & paid up :		
A. Equity Shares:		
5180000 Equity shares of Rs.10 each fully paid	518.00	518.00
B.Preference Shares:		
2118187, 2% Preference Shares of Rs.10 each fully paid - C series.	0.00	211.82
	<u>518.00</u>	<u>729.82</u>
SCHEDULE-2		
RESERVES AND SURPLUS		
Capital Redemption Reserve	129.72	129.72
General Reserve :		
Opening/Closing balance	102.00	102.00
Profit and Loss Account balance	<u>1427.32</u>	<u>919.70</u>
	<u>1659.04</u>	<u>1151.42</u>
SCHEDULE-3		
SECURED LOANS		
(Secured against hypothecaion of Stocks and Book debts and guaranteed by Directors)		
Cash Credit from Banks (Net of Debit Balance)	5924.83	3516.98
	<u>5924.83</u>	<u>3516.98</u>

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2010	31st March 2009								
SCHEDULE-4										
UNSECURED LOANS										
Short Term Loans :										
From Others (Guaranteed by Directors)	4634.62	3585.75								
Long Term Loans :										
ECB Loan	91.31	104.45								
	<u>4725.93</u>	<u>3690.20</u>								
SCHEDULES 5										
FIXED ASSETS										
	RUPEES IN LACS									
	Gross Block		Depreciation		Net Block					
	As on 1-4-09	Addition Deduction	As on 31-3-10	As on 1-4-09	For the Period	Less on Ded.	As on 31-3-10	As on 31-3-10	As on 1-4-09	
Office Benches	19.78	-	-	19.78	2.22	0.32	-	2.54	17.24	17.56
Information Technology Equipments	355.06	121.73	-	476.79	257.79	39.35	-	297.14	179.65	97.27
Vehicles	47.30	11.99	-	59.29	13.72	4.68	-	18.40	40.89	33.58
Office Equipments	60.21	21.23	-	81.44	17.98	3.25	-	21.23	60.20	42.23
Furniture & Fixtures	111.04	38.12	-	149.16	33.32	7.55	-	40.87	108.28	77.72
Total	593.39	193.07	-	786.46	325.03	55.17	-	380.20	406.26	268.36
Previous Year	480.37	115.17	2.15	593.39	286.75	38.82	0.54	325.03	268.36	193.62
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								
1,00,000, Ordinary Shares of Compuage Infocom Pte. Ltd-Singapore										
	44.95	0.00								
8000, Equity Shares of Adit Ecommerce Pvt. Ltd.										
	26.32	0.00								
	<u>161.27</u>	<u>90.00</u>								
SCHEDULE 7										
INVENTORIES										
(At cost/Realisable value whichever is lower)										
(As taken, valued and certified by a Director)										
	10334.85	6663.90								
	<u>10334.85</u>	<u>6663.90</u>								

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2010	31st March 2009
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured, considered good unless stated otherwise)		
(Net of Advances)		
Outstanding for more than six months :		
Good	91.31	71.25
Doubtful	0.00	0.00
Others debts	9469.12	9957.87
Doubtful	0.00	0.00
	9560.43	10029.12
Less : Provision For Doubtful Debt	0.00	0.00
	9560.43	10029.12
SCHEDULE 9		
CASH & BANK BALANCES		
Cash on hand	9.96	9.43
Balance with Scheduled Banks	281.69	247.20
Margin Money	2730.57	1556.44
(Deposits against L/C pledged with the banks)		
	3022.22	1813.07
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance Tax Payments	813.74	458.94
Advances recoverable in cash or in kind or for value to be received	1851.07	952.73
Security Deposits	293.06	263.19
	2957.87	1674.86
SCHEDULE - 11		
CURRENT LIABILITIES		
Bills Payables (Net of Debit balance)	11752.29	10376.55
Sundry Creditors		
- Dues to Micro, Small & Medium Enterprise	-	-
- others	627.22	471.54
	12379.51	10848.09
SCHEDULE - 12		
PROVISIONS		
Taxation	769.80	577.02
Proposed Dividend	103.60	0.00
Dividend Distribution Tax	17.61	0.00
	891.01	577.02

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

Schedule	31st March 2010	31st March 2009
SCHEDULE - 13		
COST OF GOODS SOLD		
Opening Stock	6663.90	6534.72
Purchases	103120.06	72427.98
Less: Closing Stock	10334.85	6663.90
	99449.11	72298.80
SCHEDULE 14		
EMPLOYEES COST		
Salaries and Bonus		
(Including to Directors Rs.108.00 Lacs		
(Previous year Rs.72.00 Lacs)	1152.46	900.09
Grauity & Leave Encashment	16.86	6.48
Provident Fund	4.52	8.61
E.S.I.C.	3.04	4.32
Staff Welfare Expenses	64.03	52.78
	1240.91	972.29
SCHEDULE - 15		
ADMINISTRATIVE AND SELLING EXPENSES		
Rent and compensation	307.77	154.58
Rates & Taxes	0.24	1.04
Electricity	37.62	34.59
Insurance	24.03	25.61
Sales Tax	4356.07	3285.60
Auditors Remuneration		
Audit fees	2.50	2.00
Taxation Matter	2.50	2.00
Other Services	1.00	0.50
	6.00	4.50
Miscellaneous Expenses	1608.99	1589.89
Loss on sale of asset (Net)	0.00	0.61
	6340.72	5096.42
SCHEDULE 16		
INTEREST & OTHER FINANCIAL EXPENSES		
Interest on Loans	998.08	1407.33
Less : Interest Received		
{Inclusive of TDS-Rs. 19.89 Lacs,		
(Previous Year Rs. 28.26 Lacs).}	189.91	102.83
	808.17	1304.50

SCHEDULE 17: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

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 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 229.28Lacs, (Previous year Rs.96.22 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 materialize

The Break up of Deferred Tax Liability as on 31st March 2010 is as under

	(Rs. in Lacs)	
	<u>31.03.10</u>	<u>31.03.09</u>
Difference in Book and Income Tax Depreciation under IT Act 1961	126.77	75.85
Total Timing Difference	126.77	75.85
Deferred Tax Liability	43.09	25.78

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. Contingent liabilities: Fixed Cumulative preference dividend of Rs.Nil (Previous year Rs.13.55 Lacs)
- 4. 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.

- 5. Additional information pursuant to para 4C,4D of part II of Sch VI :
 - 5.1 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.
 - 5.2 Valuation of Imports calculated on C.I.F. basis for One Year ended 31st March 2010 is RS.35631.27 Lacs. (Previous Year Rs. 16442.35 Lacs)

COMPUAGE INFOCOM LTD.

6. Expenditure in Foreign currency: (Rs.in Lacs)		(Current Year)	(Previous Year)
	Traveling	6.86	NIL
	Interest	1.72	3.03
6.1 Earning in Foreign Currency: (Rs. in Lacs)			
	Merchanting Trade	52.41	NIL

7. Related Party Information:
A. Directors & their relatives:
 (Related to Interest on Loans given to the Company Etc.)

- 1) Atul H.Mehta
- 2) Manisha A.Mehta
- 3) Bhavesh H.Mehta
- 4) Forum B.Mehta
- 5) Yash A. Mehta
- 6) Chandulal P Mehta

B. Other Related parties:

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

Transactions with related parties: (Rs.in Lacs)

Sr. No.	Particulars	Current Year (Six Months)	Previous Year
1	Interest Paid To A above	Rs. 30.62	Rs.7.02
2.	Interest Recd. from B Above	Rs. 7.39	Nil
3.	Remuneration Paid To A above	Rs. 108.00	Rs.75.60
4.	Purchases of Goods from B above	Rs.876.77	Rs. 87.58
5.	Sales of Goods to B Above	Rs.378.92	Rs. 427.42
6.	Outstanding recivables as at balancesheet date from B Above	Rs.523.99	Rs.158.94
7.	Outstanding payables as at balancesheet date to A & B Above	Rs.186.06	Rs.474.79

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

COMPUAGE INFOCOM LTD.

9. Particulars of earning per share

	Current Year	Previous year
Net profit for the year (Rs.Lacs)	Rs.628.83	Rs.448.66
Number of shares (Equity Shares)	5180000	5180000
Nominal Value of the share (Rs.)	10.00	10.00
Basic & Diluted Earning per share (Rs.)	12.14	8.66

11. 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 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

Nilufer Irani
 Company Secretary

Place : Mumbai
 Dated : 17th April 2010

COMPUAGE INFOCOM LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2010.

Schedule	31st March 2010	31st March 2009
A. Cash Flows from operating activities		
Net Profit Before Tax & Extraordinary items	955.28	716.62
Adjustment for:		
Depreciation	55.17	38.82
Interest received	(189.91)	(102.83)
Interest	998.08	1407.33
Loss/(profit) on sale of Assets	-	0.61
Operating profit before Working Capital changes	1,818.62	2,060.55
Decrease/(Increase) in Sundry Debtors	468.69	(4,144.86)
Decrease/(Increase) in Inventories	(3,670.95)	(129.18)
Decrease/(Increase) in Loans & Advances	(1,283.01)	(705.70)
Increase /(Decrease) in Current Liabilities	1,513.42	1,513.63
Increase /(Decrease) in Provisions for taxes	(115.00)	170.79
Increase /(Decrease) in Deferred taxes	-	8.02
Excess / less provision written back	-	(4.40)
Total	(3,068.85)	(3,291.70)
Income Tax	-	(248.02)
Fringe Benefit Tax	(1.36)	(19.95)
Net Cash Inflow/(Outflow) from operating activities....	(1,251.59)	(1,499.12)
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(193.07)	(115.17)
Sale of Fixed Asset	-	1.00
Equity share Purchases	(71.27)	(76.00)
Interest received	189.91	102.83
Net Cash Inflow/(Outflow) from Investing activities...	(74.43)	(87.34)
C. Cash Flows from Financing Activities		
Share Application Money received	301.50	-
Long Term Borrowings	1,035.73	1,375.78
Redemption of Preference shares	(211.82)	(129.72)
Working Capital Borrowings	2,407.85	2,832.90
Interest Paid	(998.08)	(1,407.33)
Net Cash Inflow/(Outflow) from Financing activities...	2,535.18	2,671.63
Net Increase/(Decrease) in cash and cash Equivalents...	1,209.15	1,085.16
Cash and cash Equivalents as at beginning of the year	1,813.07	1,280.29
Cash and cash Equivalents as at end of the period	<u>3022.22</u>	<u>2,365.45</u>
	1,209.15	1,085.16

We have examined the above cash flow statement of Compuage Infocom Limited for the year ended March 31, 2010. 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 for the year ended March 31, 2010

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

CHARTERED ACCOUNTANTS

M.S.Shah

Partner
M.NO. : 104640

PLACE : **MUMBAI**
DATED: **17th April 2010**

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

Nilufer Irani
Company Secretary

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 :	L99999 MH 1999 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 :	2639982
Total Assets :	2639982
Sources Of Funds :	
Paid Up Capital :	51800
Reserves & Surplus :	165904
Secured Loans :	592483
Unsecured Loans :	472593
Application Of Funds :	
Net Fixed Assets :	40626
Investments :	16127
Net Current Assets :	1260485
Miscellaneous Expenditure :	NIL
Accumulated Losses :	NIL
IV. Performance Of Company:(Amount in Rs.Thousands)	
Turnover :	10884936
Total Expenditure :	10789408
Profit Before Tax :	95528
Profit After Tax :	62883
Earning Per Share in Rupees :	12.14
Dividend Rate :	20%
V. Generic Names Of The Principal Products/Services Of Company :	
I tem 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 : 17th April 2010

Nilufer Irani
Company Secretary

COMPUAGE INFOCOM LTD.

Statement Pursuant to Section 212 of the Companies Act 1956 relating to Company's Interest in subsidiary Companies for the financial year ended 2009-10

(RUPEES 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\$=44.9450 INR (As on 31/03/2010)
Capital	100.00	1.00	44.95
Reserves (incl.bal in p&l a/c)	4.03	0.00	-50.02
Total Assets (incl. investment)	917.90	34.79	153.42
Total Liabilities	815.06	59.72	158.49
Investments (except incase of investments in subsidiary)	13.13	0.00	0.00
Turnover (incl.other inc.)	1601.00	46.01	887.82
Profit/(loss) Before Tax	3.38	-7.66	-50.02
Provision For Tax	1.16	3.71	0.00
Profit/(loss) After Tax	2.21	-3.95	-50.02
Proposed Dividend	0.00	0.00	0.00

Note:

In terms of approval granted by the Central Government under section 212(8) of the Companies Act, 1956, a copy of the Balance sheet, Profit & Loss Account, Report of the Board of Directors and the report of the Auditors of the Subsidiary Companies have not been attached with the Annual Report of the Company. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the Registered Offices of the respective subsidiary Companies.

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

G.S.Ganesh
Director

Bhavesh H. Mehta
Whole Time Director

Atul H. Mehta
Chairman &
Managing Director

Nilufer Irani
Company Secretary

PLACE : **MUMBAI**
DATED: **July 9, 2010**

COMPUAGE INFOCOM LTD.

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

1. We have audited the attached Consolidated Balance Sheet of '**CompUAGE Infocom Limited**', and its subsidiary (The CIL Group) as at 31st March, 2010, and also the consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the CIL Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We Report that the consolidated financial statements have been prepared by the CIL Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial Statements and Accounting Standards(AS)23, Accounting for Investments in Associates in Consolidated Financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial statements with the notes appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the CIL Group as at 31st March, 2010;
 - 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

M. S. SHAH
Partner

(M. No. 104640)

PLACE : MUMBAI

DATED : 17th April 2010

COMPUAGE INFOCOM LTD.

CONSOLIDATED BALANCESHEET AS AT 31ST MARCH 2010.

RUPEES IN LACS

	Schedule	31st March 2010	31st March 2009
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	518.00	729.82
Share Application Money towards Equity Warrants		301.50	0.00
Reserves & Surplus	2	1592.25	1151.13
		<u>2411.75</u>	<u>1880.95</u>
Minority Interest		21.12	24.44
Loan Funds :			
Secured Loans	3	6237.84	3808.16
Unsecured Loans	4	4787.01	3740.30
		<u>11024.85</u>	<u>7548.46</u>
Total		<u><u>13457.73</u></u>	<u><u>9453.85</u></u>
APPLICATION OF FUNDS			
Goodwill		60.79	24.00
Fixed Assets : Gross Block	5	835.73	613.64
Less :Depreciation		388.51	326.61
Net Block		447.22	287.03
Investments	6	27.13	27.13
Current Assets,Loans & Advances			
Inventories	7	10760.76	6928.21
Sundry Debtors	8	9591.98	10064.57
Cash & Bank Balances	9	3075.73	1896.72
Loans & Advances	10	2895.27	1689.27
		<u>26323.75</u>	<u>20578.76</u>
Less:Current Liabilities & Provisions			
Current Liabilities	11	12475.83	10863.38
Provisions	12	891.33	577.62
		<u>13367.16</u>	<u>11441.00</u>
Net Current Assets		12956.59	9137.77
Misc.Expenditure (To the extent not W/off.)		3.14	4.91
Deferred Tax Liability		(37.14)	(26.99)
Total		<u><u>13457.73</u></u>	<u><u>9453.85</u></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 **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: **17th April 2010**

Nilufer Irani
Company Secretary

COMPUAGE INFOCOM LTD.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

RUPEES IN LACS

	Schedule	31st March 2010	31st March 2009
Income			
Sales		110055.16	80801.33
Other Income		65.96	58.43
		<u>110121.12</u>	<u>80859.76</u>
Expenditure			
Cost of Goods Sold	13	100368.18	72613.47
Employees Cost	14	1357.83	1005.30
Administrative & Selling Expenses	15	6584.58	5157.26
Interest & Other Financial Expenses	16	849.72	1323.08
Depreciation	5	59.84	40.39
		<u>109220.15</u>	<u>80139.51</u>
Profit Before Tax		900.97	720.25
Provision For Tax -Current		308.10	240.00
- Deffered Tax		14.33	9.23
- Fringe Benefit		1.47	20.55
Add/Less: Excess provision w/back/w.off		0.00	4.40
Profit After Tax		577.07	446.08
Add : Balance brought forward		907.43	605.17
		<u>1484.50</u>	<u>1051.25</u>
Amount available for Appropriations		1484.50	1051.25
Less : Transfer to Capital Redemption Reserve		0.00	129.72
Proposed Dividend		103.6	0.00
Dividend Distribution Tax		17.61	0.00
Balance Carried to Balance Sheet		1363.29	921.52
		<u>1363.29</u>	<u>1051.24</u>
Basic & Diluted Earning per Share (Rs.)		11.14	8.57
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: **17th April 2010**

Nilufer Irani
Company Secretary

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

	31st March 2010	31st March 2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
A. Equity Shares:		
19254000 Equity share of Rs. 10 each	1925.40	1925.40
B. Preference Shares:		
4665600 Preference shares of Rs.0.10 (Ten paise) each	4.67	4.67
3369344 Preference shares of Rs.10 each	<u>336.93</u>	<u>336.93</u>
	341.60	341.60
	<u>2267.00</u>	<u>2267.00</u>
Issued ,Subscribed & paid up :		
A. Equity Shares:		
5180000 Equity shares of Rs.10 each fully paid	518.00	518.00
B. Preference Shares:		
2118187, 2% Preference Shares of Rs.10 each fully paid - C series.	0.00	211.82
	<u>518.00</u>	<u>729.82</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Redemption Reserve	129.72	129.72
General Reserve :		
Opening/Closing balance	102.00	102.00
Profit and Loss Account balance	1377.38	921.52
Less:Minority Interest	-0.26	0.44
Less:Unrealised profit	17.11	1.67
	<u>1592.25</u>	<u>1151.13</u>
SCHEDULE 3		
SECURED LOANS		
(Secured against hypothecation of Stocks and Book debts and guaranteed by Directors)		
Cash Credit from Banks (Net of Debit Balance)	6237.84	3808.16
	<u>6237.84</u>	<u>3808.16</u>
SCHEDULE 4		
UNSECURED LOANS		
Short Term Loans :		
From Others(Guaranteed by Directors)	4695.70	3635.85
Long Term Loans:		
ECB Loan	91.31	104.45
	<u>4787.01</u>	<u>3740.30</u>

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULES 5

FIXED ASSETS

RUPEES IN LACS

	Gross Block			Dereciation			Net Block			
	As on 1-4-09	Addition	Deduction	As on 31-3-10	As on 1-4-09	For the Period	Less on Ded.	As on 31-3-10	As on 31-3-10	As on 1-4-09
Office Premises	19.78	-	-	19.78	2.22	0.32	-	2.54	17.24	17.56
Information Technology Equipments	362.44	126.40	-	488.83	258.76	40.97	-	299.72	189.11	103.68
Computers & Peripherals	1.66	0.26	-	1.92	0.26	0.05	-	0.31	1.61	1.05
Vehicles	47.30	11.99	-	59.29	13.72	4.68	-	18.40	40.89	33.58
Office Equipments	63.29	23.48	-	86.77	18.07	3.72	-	21.79	64.98	44.56
Furniture & Fixtures	122.03	47.75	-	169.78	33.85	9.72	-	43.58	126.21	87.64
Sub Total	616.50	209.88	-	826.37	326.88	59.46	-	386.34	440.04	288.07
Intangible Assets										
Intellectual Property Rights	8.10	-	-	8.10	1.69	0.34	-	2.03	6.07	8.10
Web Sites	1.25	-	-	1.25	0.10	0.05	-	0.15	1.10	-
Sub Total	9.35	-	-	9.35	1.79	0.39	-	2.18	7.17	8.10
Grand Total	625.85	209.87	-	835.73	328.67	59.84	-	388.50	447.22	296.17
Previous Year	488.47	136.55	2.15	568.87	286.75	40.48	0.54	326.69	296.17	193.62

RUPEES IN LACS

	31st March 2010	31st March 2009
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SCHEDULE 6

Investments: (At Cost)

(Non Trade Unquoted)

90416 Equity Shares of Bombay Mercantile

Co- Op. Bank Ltd of Rs 30 Each.

27.13

27.13

27.13

27.13

SCHEDULE 7

INVENTORIES

(At cost / Realisable value whichever is lower)

(As taken, valued and certified by a Director)

Less : Unrealised profit on unsold Stock

10777.87

6929.88

17.11

1.67

10760.76

6928.21

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

	31st March 2010	31st March 2009
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured , considered good unless stated otherwise)		
(Net of Advance)		
Outstanding for More than Six Months		
Good	92.66	72.33
Doubtful	1.03	0.00
Others debts		
Good	9499.32	9992.24
Doubtful	0.39	0.00
	9593.40	10064.57
Less : Provision For Doubtful Debt	1.42	0.00
	9591.98	10064.57
SCHEDULE 9		
CASH AND BANK BALANCE		
Cash on Hand	10.27	9.47
Balances with Banks	311.32	314.36
Margin Money	2754.14	1572.89
(Deposit against L/C.pledge with the banks)		
	3075.73	1896.72
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance Tax Payment	815.68	458.94
Advances recoverable In Cash Or Kind or for Value to be received	1782.41	963.69
Security Deposit	297.18	266.64
	2895.27	1689.27
SCHEDULE 11		
CURRENT LIABILITIES		
Bills Payable (Net of Debit Balance)	11752.29	10376.55
Sundry Creditors		
- Dues to Micro, Small and Midium Enterprises	-	-
- Others	723.54	486.83
	12475.83	10863.38

COMPUAGE INFOCOM LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

RUPEES IN LACS

	31st March 2010	31st March 2009
SCHEDULE 12		
PROVISIONS		
Taxation	770.12	577.62
Proposed Dividend	103.60	0.00
Dividend Distribution Tax	17.61	0.00
	891.33	577.62
SCHEDULE 13		
COST OF GOODS SOLD		
Opening Stock	6930.54	6534.72
Purchases	104215.51	73008.64
Less: Closing Stock	10777.87	6929.88
	100368.18	72613.48
SCHEDULE 14		
EMPLOYEES COST		
Salaries and Bonus{Including to Directors Rs.108 Lacs (Previous year Rs.72.00 Lacs)}	1266.16	932.89
Gratuity & Leave Encashment	16.86	6.48
Provident Fund	7.04	8.61
E.S.I.C.	3.04	4.32
Staff Welfare Expenses	64.73	53.00
	1357.83	1005.30
SCHEDULE 15		
ADMINISTRATIVE AND SELLING EXPENSES		
Rent and compensation	335.89	158.63
Rate & Taxes	0.24	1.04
Electricity	39.26	35.72
Insurance	25.73	26.07
Sales Tax	4459.34	3314.85
Provision for Doubtful Debts	1.42	
Auditors Remuneration		
Audit fees	3.53	
Taxation Matter	2.50	
Other Services	1.00	4.75
Miscellaneous expenses	1715.67	1615.59
Loss on sale of asset (New)	0.00	0.61
	6584.58	5157.26
SCHEDULE 16		
INTEREST & OTHER FINANCIAL EXPENSES		
Interest on Loans	1041.65	1426.48
Less : Interest Received	191.93	103.39
{Inclusive of TDS-Rs. 19.89 Lacs, (Previous year Rs. 28.26 Lacs).}		
	849.72	1323.08

COMPUAGE INFOCOM LTD.

SCHEDULE 17: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

1. Significant Accounting Policies:

a. Basis of Preparation:

- (i) The Consolidated Financial Statement are prepared in accordance with Accounting Standard (AS-21), on Consolidated financial statement 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 subsidiary. The Company and its subsidiary constitute the Compuage Group. Reference in these notes to the "Company" or Compuage shall mean to include Compuage Infocom Ltd. or its subsidiary consolidated in these financial statements unless otherwise stated. The details of the subsidiary 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.

COMPUAGE INFOCOM LTD.

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.

Depreciation has been calculated as per the provisions of the Singapore Companies Act, Chapter 50(the "Act") and Singapore Financial Reporting Standards

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

COMPUAGE INFOCOM LTD.

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.247.58Lacs, (Previous year Rs.96.22 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. 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 Break up of Deferred Tax Liability as on 31st March 2010 is as under.

	(Rs.in Lacs)	
	31.03.10	31.03.09
Difference in Book and Income Tax Depreciation under IT Act 1961	158.60	79.77
Total Timing Difference	158.60	79.77
Deferred Tax Liability	37.14	26.99

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. Contingent liabilities: Fixed Cumulative preference dividend of Rs. NIL (Previous year Rs.13.55 Lacs).
4. 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.

COMPUAGE INFOCOM LTD.

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.

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

5.1 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.

5.2. Valuation of Imports calculated on C.I.F. basis for the year is RS.36,285.21 Lacs. (Rs. 16442.35 Lacs)

5.3. Expenditure in Foreign currency: (Rs.in Lacs)	(Current Year)	(Previous Year)
Traveling	7.11	Nil
Interest	1.72	3.03
5.4 Earning in foreign Currency (Rs. in Lacs)		
Merchanting Trade	52.41	Nil

6. Related Party Information:

A. Directors & their relatives:

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

- 1) Atul H.Mehta
- 2) Bhavesh H. Mehta
- 3) Manisha A.Mehta
- 4) Forum B.Mehta
- 5) Chandulal P. Mehta
- 6) Yash A Mehta

B. Other Related parties:

1) Trillizo Holdings Limited
Transactions with related parties: (Rs.in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
1	Interest Paid To A & B above	Rs. 30.61	Rs. 7.02
2	Remuneration Paid To A above	Rs. 108.00	Rs.75.60
3	Interest received from B Above	Rs. 7.50	Nil
4	Rent Paid to B Above	Rs. 19.85	Rs. 24.00
5	Outstanding Receivables as at balance sheet date from B above	Rs. 138.00	Rs. 138.00
6	Outstanding payables as at balance sheet date to A & B Above	Rs. 56.75	Nil

7. 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.

8. Particulars of earning per share

	Current Year	Previous Year
Net profit for the year (Rs.Lacs)	Rs.560.22	Rs.443.96
Number of shares (Equity Shares)	5180000	5180000
Nominal Value of the share (Rs.)	10.00	10.00
Basic & Diluted Earning per share (Rs.)	10.82	8.57

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.

As per our report of even dated attached

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

For **COMPUAGE INFOCOM LIMITED**

M.S.Shah
Partner
M.NO.104640
Place: - Mumbai
Dated: - 17th April 2010

G.S.Ganesh Bhavesh H.Mehta Atul H. Mehta
Director Whole TimeDirector CMD

Nilufer Irani
Company Secretary

COMPUAGE INFOCOM LTD.

3, Dhuru Building, 1st Floor, 329 Vithalbhair Patel Road, Mumbai –400 004.

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 ELEVENTH ANNUAL GENERAL MEETING of the Company held on Saturday, the 14th of August 2010 at Victoria Memorial School For Blind, Tardeo Road, Opp. Film Centre, Mumbai 400 034 at 10.00 a.m.

Regd. Folio No.: _____

OR

DP ID / CLIENT ID: _____

Member's / Proxy Signature

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

COMPUAGE INFOCOM LTD.

3, Dhuru Building, 1st Floor, 329 Vithalbhair Patel Road, Mumbai –400 004.

FORM OF PROXY

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 _____

of failing him / her Mr./Ms. _____

of _____ in the district of _____

as my / our proxy to vote for me / us, on my / our behalf at the ELEVENTH ANNUAL GENERAL MEETING of the Company held on Saturday, the 14th of August 2010 at Victoria Memorial School For Blind Tardeo Road, Opp. Film Centre, Mumbai 400 034 at 10.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010

Regd. Folio No.: _____

OR

DP ID / CLIENT ID: _____

No. of shares held: _____

Affix
Re. 1.00
Revenue
Stamp

Signature

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

COMPUAGE INFOCOM LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2010 Rs. in Lacs

	31stMarch 2010	31stMarch 2009
A. Cash Flows from operating activities		
Net Profit Before Tax & Extraordinary items	900.98	720.25
Adjustment for:		
Depreciation	59.84	40.39
Interest received	(191.93)	(103.39)
Interest	1049.04	1426.48
Loss/(profit) on sale of Assets	-	0.61
Miscellaneous exp w/off	1.77	-
Operating profit before Working Capital changes	1,819.70	2,084.34
Decrease/(Increase) in Sundry Debtors	115.41	(4,217.27)
Decrease/(Increase) in Inventories	(3,847.33)	(395.16)
Decrease/(Increase) in Loans & Advances	(1,362.96)	(720.11)
Increase /(Decrease) in Current Liabilities	2,073.09	1,565.88
Increase /(Decrease) in Provisions for taxes	(115.00)	171.39
Increase /(Decrease) in Deferred taxes	-	6.81
Excess / less provision written back	-	(4.40)
Total	(3,136.79)	(3,592.86)
Income Tax	-	(248.02)
Fringe Benefit Tax	(2.05)	(19.35)
Net Cash Inflow/(Outflow) from operating activities....	(1,319.14)	(1,775.89)
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(209.87)	(135.41)
Proceeds of Sale of Fixed Asset	-	1.00
Equity share Purchases	(26.32)	(13.13)
Interest received	191.93	103.39
Net Cash Inflow/(Outflow) from Investing activities...	(44.26)	(44.15)
C. Cash Flows from Financing Activities		
Share Application Money received	301.50	-
Long Term Borrowings	1,057.56	1,425.88
Redemption of Preference shares	(211.82)	(129.72)
Working Capital Borrowings	2,441.49	3,124.08
Interest Paid	(1049.04)	(1,426.48)
Miscellaneous expenses to the extent now w/off	-	(4.90)
Net Cash Inflow/(Outflow) from Financing activities...	2,539.69	2,988.86
Net Increase/(Decrease) in cash and cash Equivalents...	1,176.28	1,168.82
Cash and cash Equivalents as at beginning of the year	1,899.48	1,280.29
Cash and cash Equivalents as at end of the period	3,075.73	2,449.10
	1,176.28	1,168.82

We have examined the above cash Flow statement of Compuage Infocom Limited for the period ended 31st March 2010. 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 2010.

As per report of even date attached

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

CHARTERED ACCOUNTANTS

M.S.Shah

Partner

M.NO.:104640

PLACE : **MUMBAI**

DATED: **17th April 2010**

For and on behalf of the Board of Directors

For **COMPUAGE INFOCOM LIMITED**

G.S.Ganesh

Director

Nilufer Irani

Company Secretary

Bhavesh H. Mehta

Whole Time Director

Atul H. Mehta

Chairman &

Managing Director