

Speed
Reliability
Value Performance

COMPUAGE INFOCOM LTD

25th September 2017

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

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

Security Code: 532456
ISIN: INE070C01037

Symbol: COMPINFO

Sub: Submission of the 18th Annual Report of Compuage Infocom Limited for the financial year 2016-2017

Dear Sir/Ma'am,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith 18th Annual Report of the Company for the financial year 2016-2017 approved and adopted by the Members as per the provisions of Companies Act, 2013, at the 18th Annual General Meeting of the Company held on Saturday, 23rd September 2017 at 10.00 a.m. at the Victoria Memorial School for Blind, Tardeo Road, Opposite Film Centre, next to Girnar Tower, Mumbai - 400034.

Request you to take on record.

Thanking you,

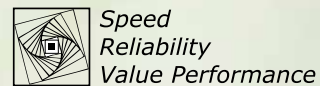
For Compuage Infocom Limited,

Disha Shah
Company Secretary



Place: Mumbai
Encl: As above

Annual Report
2016-17



COMPUAGE INFOCOM LIMITED

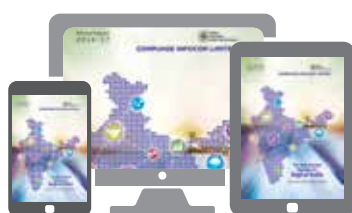


What you will find inside

02-20 CORPORATE OVERVIEW

02	The Distribution Highway for Digital India
05	Goals Turned into Milestones
04	Know Us Better
06	Our Business Model
07	Our Marquee Alliances
08	Our Strategies and Focuses
10	Connect
12	Partner
14	Grow
16	Chairman's Message
18	Financial Highlights
20	Our Principles

This report can be viewed online by logging on to www.compuageindia.com



21-58 STATUTORY REPORTS

21	Directors' Report
36	Corporate Governance Report
52	Management Discussion and Analysis

59-104 FINANCIAL STATEMENTS

60	Auditors' Report on Standalone Financial Statements
66	Balance Sheet
67	Statement of Profit and Loss
68	Cash Flow Statement
70	Notes
84	Auditors' Report on Consolidated Financial Statements
88	Consolidated Balance Sheet
89	Consolidated Statement of Profit and Loss
90	Consolidated Cash Flow Statement
92	Notes

105 NOTICE

GO GREEN TODAY



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

FORWARD-LOOKING STATEMENT



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

Corporate Information

Board of Directors



Mr. Atul H. Mehta - Chairman & Managing Director

Mr. Bhavesh H. Mehta - Whole-time Director

Mr. Ganesh S. Ganesh - Independent Director

Mrs. Preeti Trivedi - Independent Director

Mr. Vijay Agarwal - Independent Director



Key Managerial Personnel

Mr. Sunil Mehta - Chief Financial Officer

Ms. Disha Shah - Company Secretary



Statutory Auditors

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

Chartered Accountants



Secretarial Auditor

Mr. Virendra Bhatt

Practicing Company Secretary



Bankers

Bombay Mercantile Co-op. Bank Limited

Central Bank of India

HDFC Bank Limited

IDFC Bank

Indian Bank

Kotak Mahindra Bank

Punjab National Bank

RBL Bank Limited

Registered Office



Compuage Infocom Limited

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

Tel: 022 67114444 | Fax: 022 67114445

CIN: L99999MH1999PLC135914



Registrar & Share Transfer Agent

Link Intime India Private Limited

C 101, 247 Park,
LBS Marg, 247 Park,
Vikhroli West, Mumbai - 400 083.

Tel: 022 49186000, 022 49186270

Fax: 022 49186060

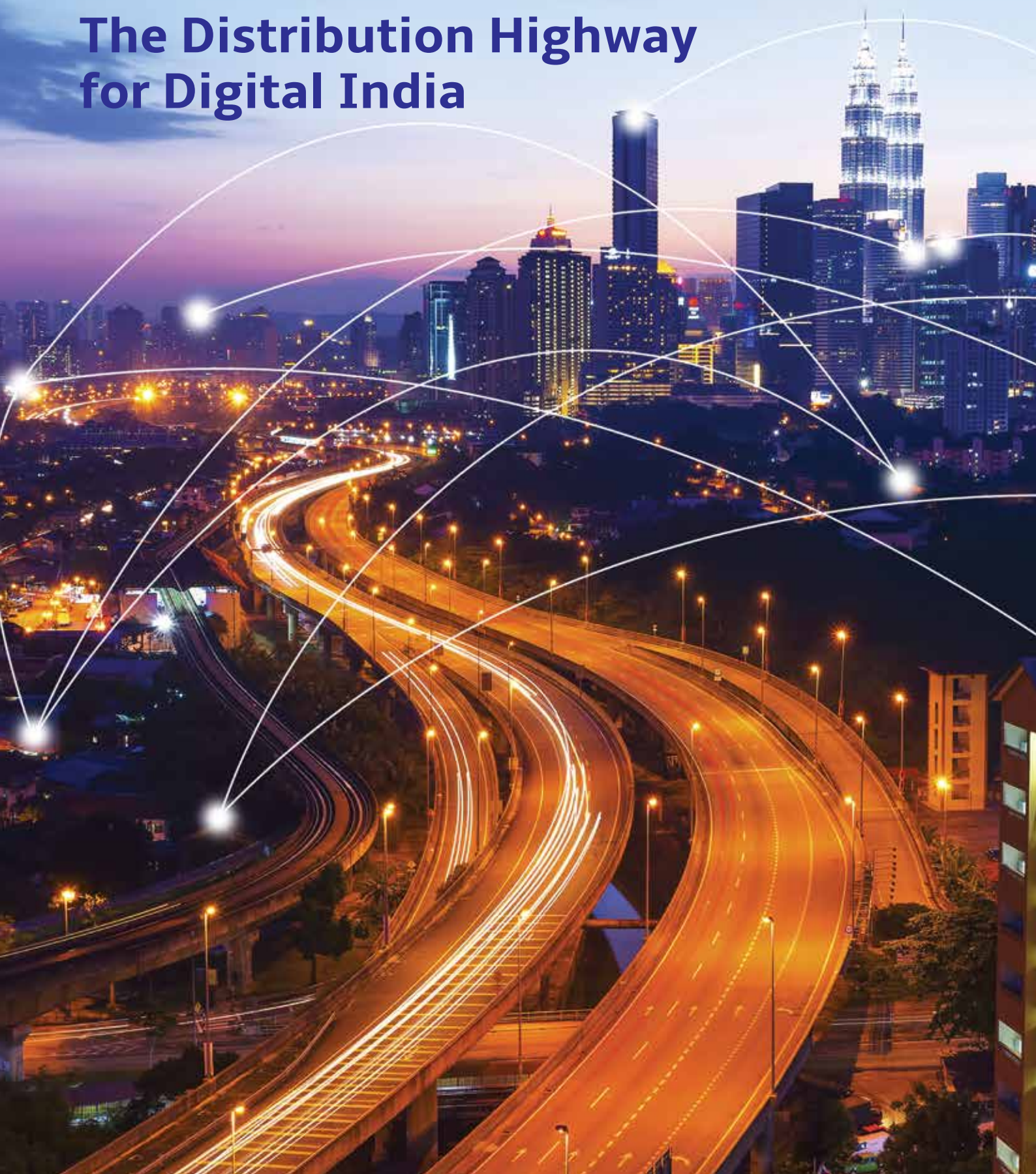
E-Mail : rnt.helpdesk@linkintime.co.in



Branches

Ahmedabad, Bengaluru, Vadodara, Bhiwandi,
Bhubaneshwar, Bhopal, Chandigarh, Chennai, Coimbatore,
Cochin, Calicut, Dehradun, Delhi, Ghaziabad, Goa, Guwahati,
Gurugram, Hyderabad, Hubli, Indore, Jaipur, Jammu,
Kolkata, Lucknow, Ludhiana, Mumbai, Mangalore, Madurai,
Nagpur, Parwanoo, Patna, Puducherry, Pune, Raipur,
Ranchi, Siliguri, Surat, Trivandrum, Vizag, Vijayawada and
overseas branch at Singapore

The Distribution Highway for Digital India





Network effects are the magical ingredient for exponential growth. Highways or road networks are the oldest examples of positive network effects on economic growth. Digital India is a key program of the Indian Government to deliver positive network effects of digital technologies, especially through widespread internet access. But internet access is only half the battle, availability of devices and software being equally critical.

Over the last 30 years, Compuage has developed a vast distribution network to reach farthest corners of the country with a wide portfolio of devices and software. We have also channelized capital to our partners through credit, enabling growth across the value chain.

Inspired by the vision of Digital India, where technology is accessible to each and every Indian, our roadmap for the future is crystal clear. We are expanding our network, forging new partnerships and accelerating the reach of technology products and solutions. Not only are we confident of reaping the network benefits by growing in tandem with the Indian economy and adoption of digital technologies in India, we are also committed to contributing to this growth.

Our distribution network is an accelerator in digitization of the Indian economy.

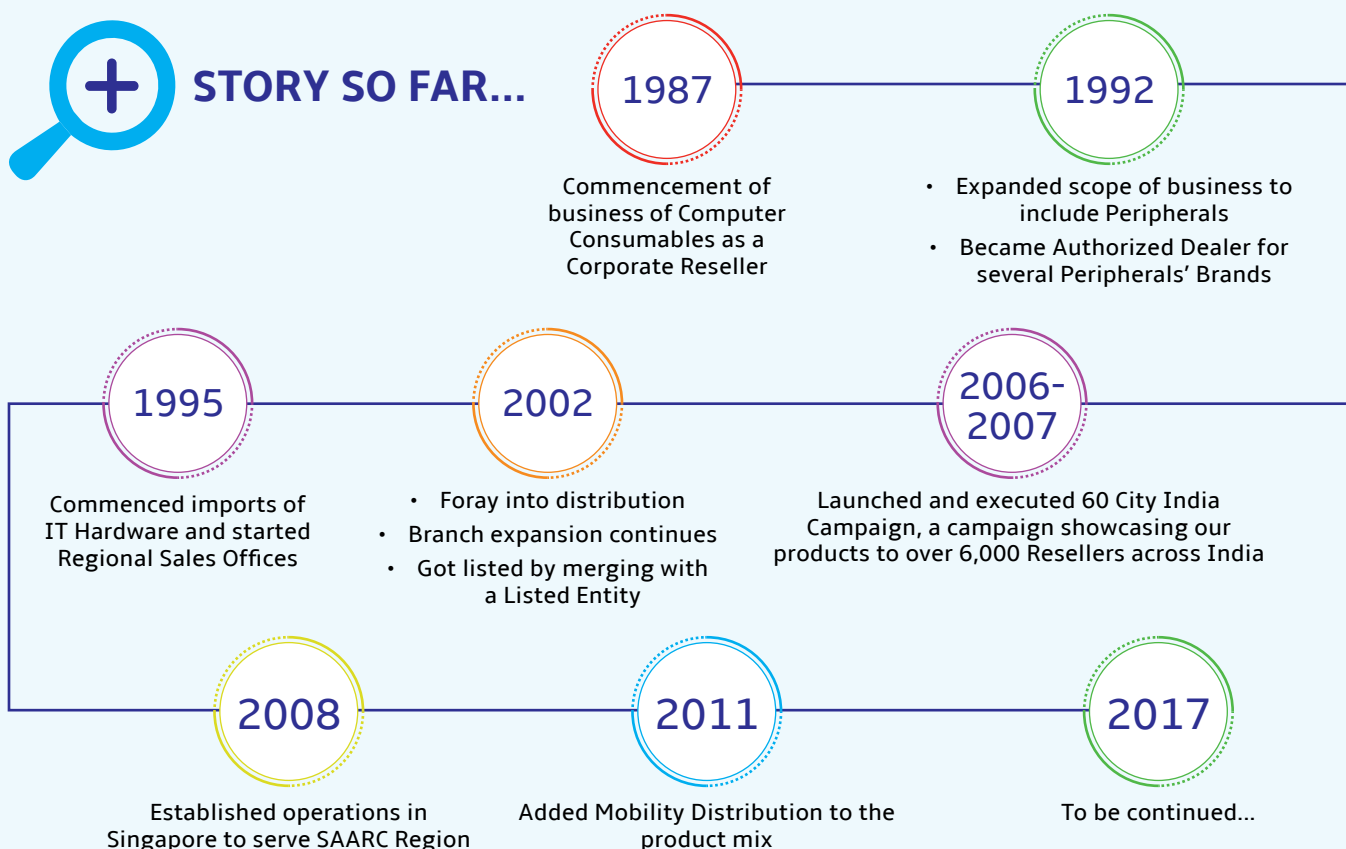
Read on to know how we are successfully delivering on this role of being the Distribution Highway for Digital India...

Know Us Better

Established in 1987, Compuage Infocom Limited (hereinafter referred to as "Compuage / Company") is among India's leading IT and Mobility distribution companies.

Our distribution breadth is matched only by the depth of our offerings, with a comprehensive portfolio of IT and Mobility solutions – from hardware, software, networking, data management, storage and more. This powerful combination of world-class products and strong distribution network enables us to cater to the dynamic business requirements of all Consumers, SOHO, SMB, Mid Size, Large Enterprises and Government organizations across various industry verticals through Resellers and System Integrators.

Our journey of 30 years is marked with several defining points. And while we have come this far, we are not stopping here. As we enter the next phase of our growth journey, we are committed to building on our accomplishments and partner India towards inflection point in technology reach and adoption.





GOALS TURNED INTO MILESTONES



Revenue

- 2007-08 - Crossed ₹ 60,000+ Lakh of turnover
- 2009-10 - Recorded the ₹ 1,10,000+ Lakh revenue mark
- 2016-17 - Achieved Annual Revenue of ₹ 3,50,000+ Lakh



Profit

- 2005-06 - Crossed ₹ 190+ Lakh in Net Profits
- 2009-10 - PAT more than ₹ 500 Lakh
- 2016-17 - Delivered Net Profits exceeding ₹ 1700 Lakh



Listing

- 29th January 2002 - Listed on BSE Limited
- Listed and thereafter, delisted from Madras Stock Exchange
- 7th July 2016 - Listed on National Stock Exchange Limited



Capital Structure

- 26th March 2008 - Reduction of Share Capital
- 29th August 2011 - Conversion of 9,95,000 Warrants into 9,95,000 Equity Shares
- 29th August 2011 - ₹ 7,00,80,000/- infused through Preferential Allotment
- 27th May 2015 - Bonus Shares in the ratio of 3:5
- 30th June 2015 - ₹ 9,99,90,000/- infused through Preferential Allotment
- 17th February 2017 - Share split from face value of ₹ 10/- per share to ₹ 2/- per share



Overseas Setup

- 23rd July 2008 - Started Wholly-Owned Subsidiary in Singapore
- 30th July 2015 - Established Branch Office in Singapore



Geographical Presence

Geographical Presence

- Head Office in Mumbai
- 41 Branches
- 1 Central Warehouse
- 3 Redistribution Hubs
- 42 Warehouses
- 61 Service Centers
- Growing network of 10,000+ Channel Partners across 800+ cities and towns

Credit Rating

Our financial risk management is based upon sound economic objectives and good corporate practise. The Company strengthened its credit rating from BBB+ to A for Long-Term Bank Facilities and from A2 to A2+ for Short-Term Bank Facilities (CARE).



Credit Rating

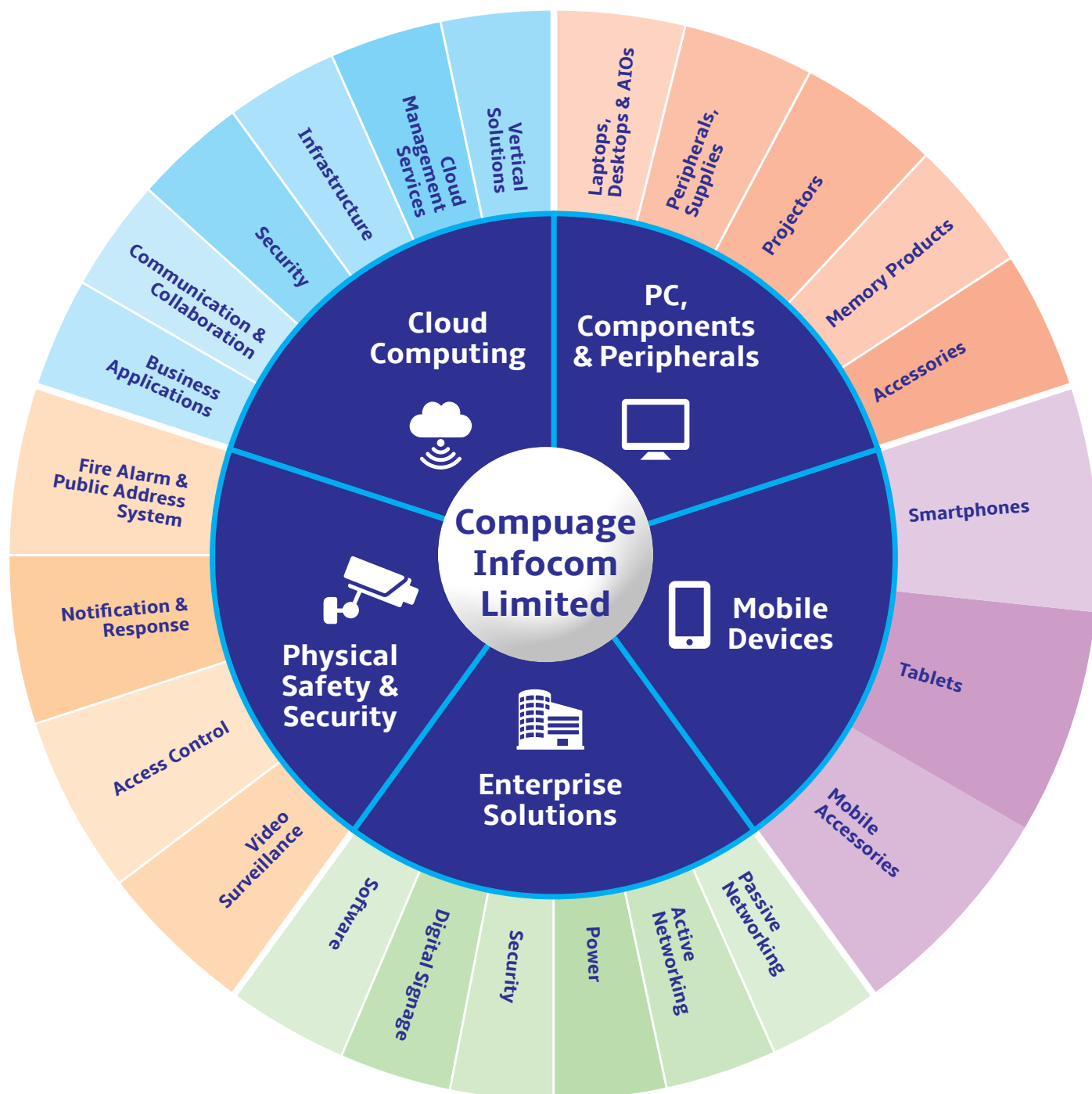
Brands & Accolades

- Associated with 35+ Brands as on date
- Signed 14 new Brands during FY2016-17
- Honored with more than 100 awards during the 30 years journey towards exemplary contribution in Distribution Industry



Brands & Accolades

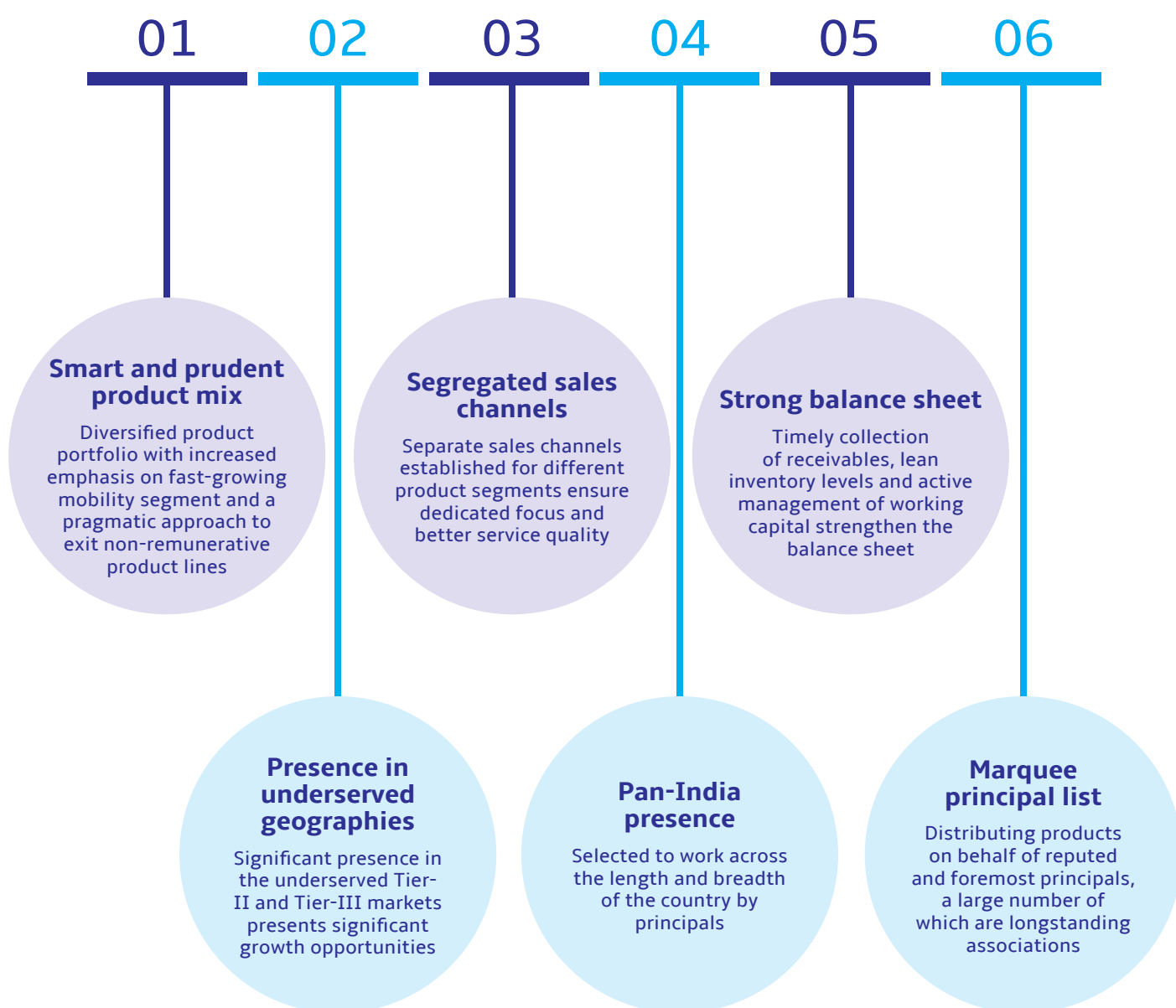
Our Business Model



Our Marquee Alliances



Our Strategies and Focuses



07

**Focus on profitability**

Addressing the high volume-low margin space by scaling volumes on one hand and moderating the quantum of working capital outlay on the other

08



09

**Young, energized team**

A rich talent base of young, skilled human resource speaking and breathing the language of today's technology is the catalyst for market leadership

10



11

**Culture of accountability**

High employee performance by fostering accountability and breaking things down into meaningful goals and measurable metrics

Value-added services to resellers

Enhancing reseller profitability by regularly widening product basket, offering timely advise, channelizing trader-friendly credit and frequently replenishing inventory

Well-balanced portfolio

No Compuage product line accounts for more than 30% of its revenues and no reseller accounts for more than 5% of its sales



Highways are a powerful tool to eliminate economic and social isolation of communities. They make access convenient, cheaper and safer. They bring communities closer. Connected communities are more competitive with greater access to business and employment opportunities, and an improved quality of life. At the same time, they also allow manufacturers and sellers to access a new set of buyers, thus expanding the market available for their products and services.

To leapfrog India into the 21st century, IT and broadband highways are as important as national highways. Connection to the internet and digital technologies enables instant access to infinite opportunities, productivity improvements, education and reach for the connected people. Greater the number of connected people, greater the network effect, and higher is the economic activity and value creation.

Compuage's distribution network is instrumental in increasing the reach of digital technology products, making it as readily available as other utilities. By making it easier for people to access technology and log into opportunities on the internet and digital world, we are committed to connecting people and dreams and playing a transformational role in the economic upliftment of communities and the country.



ESTABLISHING GREATER CONNECTIONS

In FY2016-17, we expanded our reach to nearly 800+ cities / towns. The proportion of B, C and D category cities / towns in the total reach has increased considerably. In the coming years, we will further expand our reach and connect with more B, C, D cities / towns through our network, as the Indian consumption landscape in the small towns is dramatically changing. Deeper reach into the hinterland is a key differentiator for our Company, which has helped in forging partnerships with many principals who are keen to expand their product reach in smaller towns.

We have proactively adopted newer channels such as e-commerce, which are experiencing high growth by selling directly to e-commerce websites thus increasing the reach and pace of growth. Currently, direct sales to e-Commerce contribute less than 10% of our overall revenues.

We are catering to the SAARC region by exporting from Singapore to these international markets. This strategic shift enables us to expand our network connections to India's neighboring countries, which are relatively similar markets with traditional linkages with India.

“ We are catering to the SAARC region by exporting from Singapore setup which has broaden our network connections to India's neighboring countries ”

“I see Technology as a means to empower and as a tool that bridges the distance between hope and opportunity.”

- Shri Narendra Modi
Honorable Prime Minister
of India

“In 2018, 60% of the Internet users of India will be from rural areas.”

- Jaideep Mehta,
IDC India



PARTNER

To transition to a fully networked and digital economy, all stakeholders must work in unison. Distribution channels help manufacturers/ principal get their products to the market, and customers obtain the products that they need. The best distribution channels make the stakeholders at either end of their value chain work in sync.

This requires partnership approach with both stakeholders and great partnerships are built on principles and practices of shared commitment. Our shared commitment with our partners is to bridge the access gap for digital technologies, i.e. to work towards the success of Digital India mission. While driving India's return to the world's center stage through digital empowerment, we remain committed towards the mutual success of our customers, principals and the Company.

"We are making huge investments with our data center in particular which we think can empower organizations in this country to be world class with the access to technology which is all going to be available locally. We are looking forward to partnering closely, seeing all of this come true to help every Indian business and every Indian citizen."

- Satya Nadella

STRENGTHENING PARTNERSHIPS

Service Orientation:

Enabling downstream partners to sell better, understanding customer needs more accurately and resolving customer issues promptly lead to a service ethic that retains customers and partners.

Compuage Way of Working: By investing in strong, robust pre and post-sales support teams with efficient logistics, we meet the needs of our customer segments including consumer and enterprise, thus developing long-term partnerships with our network.

Cash Flow Management:

Along with smooth flow of goods, it is also critical for the distributor to ensure smooth flow of capital across the chain.

Compuage Way of Working: Constant focus on reseller credibility and credit checks, along with exposure management are a mantra with Compuage. We have put in place systems and well-defined processes to manage these operations.

Technology Investments:

Automated order processing, inventory management and credit management are necessary for efficient operations and preventing blockage of capital.

Compuage Way of Working: Compuage has moved its operations to SAP in 2013 and completed the implementation in a record time of 8 months. Now, we are poised to introduce B2B e-commerce to bring the convenience of 24/7 online ordering to our channel partners.

Relationship Management:

The key underlying parameter for successful relationships is the right choice of a partner. People, objectives, processes and business practices that consistently enable a partner to grow the business are the other equally important ingredients.

Compuage Way of Working: We have set clear benchmarks for selection of resellers, which are followed rigidly to ensure we have the right partners onboard. Ethical business practices of not bypassing or under-cutting resellers are equally important for the trust they have placed in Compuage.

Success is magnetic; it attracts more partners and thus feeds a positive reinforcement cycle.

In FY2016-17, we added 14 new principal relationships to our product portfolio:

- Extreme Networks (Complete Networking)
- Hanwha - Samsung (Security and Surveillance in CCTV)
- Xerox (Printers)
- Sandisk (Flash and SSD Products)
- Linksys (Networking Products)
- LG (Signages)
- Emerson (UPS)
- Lenovo (Consumer PC's for MP)
- Molex (Passive Networking Products)
- BenQ (Projectors)
- TP Link (Networking Products)
- Tyco Security Products (Surveillance and Security Products)
- 24 Online (Software Products)
- Reliance Lyf/Jio (Devices, Recharge Coupons)

Compuage increased its strength of reseller network more than 10,000 during the year from 7,800 in the previous year. This network includes 105 System Integrators that address the enterprise segment, with the addition of 40 in FY2016-17.

For our strong support to our partners, we were awarded:

- Best Partnership Award honoured from Samsung Security Surveillance
- Best Performer Award from Cisco
- Bagged Best Performer from LG



Growth is not a milestone, it is a journey and only those with passion and preparedness achieve continued success on this journey. Passion cannot be invoked by wanting to grow for growth's sake. The passion comes from wanting to be a part of the journey that will positively impact self, team and the larger society.

At Compuage, passion permeates the entire organization at all levels. This passion is to contribute to the Digital India mission and grow the Company while making an incredible impact on the country. With this passion, today Compuage is one of the Top 5 IT distribution companies in the country with sector beating revenue growth for past many years.

Increasing number of products that flow through our channel and overall channel expansion, including business growth of individual resellers, also reflect this best-in-class performance. The growth in organizational capabilities, processes maturity, and unmatched service ethic has created a self-sustaining cycle of improvement in the Company's results. It has been a 30-year long history littered with achievements. With the necessary passion and preparedness to keep improving on the past performance, we are poised to continuously grow. Our next goal is to achieve sales of US\$ 1 billion by 2020 and to achieve this we are relentlessly working towards bringing on board new brands in our portfolio.



GOING STRONG, GROWING STRONGER

Compuage has consistently beaten industry growth rates by constantly expanding its network and investing in organizational capabilities to manage scale.

The total volume of products shipped by Compuage in FY2016-17 has increased manifold. With 14 new brands, the count of products in the portfolio also went up by 20 to 35 during the year. For sustained growth, we also maintain a strict vigil on product performance and are not averse to taking hard decisions to weed out non-performing products from our portfolio.

Reducing the time period for receivables through prudent measures and best processes, we are proactively moderating our working capital cycle. Based on improved scale of operations and continuous business performance, our credit rating has been upgraded during the year. This will reduce the Company's interest costs on borrowings, which will help in lowering the finance cost and thereby enhance our profitability.

Our pro-active response to crisis situations has enabled us to minimize its impact on business. To contain the blow due to demonetization, we implemented new incentive schemes and modified credit terms. In the second half of the year when the demonetization impact was felt across most sectors and businesses, the Company sales grew by 14.29% over previous year.

14 Brands

The count of new brands in the portfolio raised

14.29%

The Company sales growth

"Digital platforms help make the India of our dreams happen."

- Ganesh Natarajan,
CII/Zensar

"India is the world's largest experiment in digitalization."

- B. Santhanam,
Saint-Gobain India

Chairman's Message



It gives me great pleasure to connect with you at the completion of a landmark year for your Company, having completed 30 successful years in business. As we reflect on our journey so far, we recognize that while we have come a long way, there are certain things that remain unchanged - staying true to our values and to our purpose of partnering India in its quest to be a technology-empowered nation.

As passionate as when we first started, the completion of thirty years while it adds a celebratory spirit to the business, it also serves as the perfect opportunity to reaffirm our commitment to work for the long-term growth of the Company. Investing in our people, transforming the customer experience, enhancing our capabilities, and of course, strengthening our network, we will be here for all our stakeholders in the future, as we are today.

Indian economy has been the fastest growing large economy of the world since a couple of years and is projected to remain so at least in the near future. This is the biggest macro factor to the growing market potential for digital technologies in India. Consumer demand for digital technologies is going to be primarily driven by the need to access the internet. According to IMAI-IMRB report, the number of internet

users in the country is expected to go up from 432 million in December 2016 to more than 450 million by June 2017. Urban India at 60% penetration is starting to get saturated, but rural India offers a significant opportunity with only 17% Internet penetration. India is an extremely value-conscious market, and as a result, one can see that the smartphones have disrupted PC market for the consumers, and Cloud Computing is similarly disrupting the enterprise market. 77 per cent of urban and 92 per cent of rural users use mobile as the primary device for accessing the internet, and not the PC. However, with increasing disposable incomes, growing broadband penetration, Digital India initiative, new tech developments and restrictive form factor of smartphones, the market for PC and peripherals will continue to have a steady growth over the long term. ICT infrastructure spends in the enterprise market are also projected to grow. Gartner's

8.8%

forecast growth in IT spends in India on Data Center Systems, Software and Devices

15%

expected growth for Smartphone shipments recovering from the impact of demonetization

5.4%

revenue growth for the IT Hardware segment

forecast for 2017 projects a growth of 8.8% in IT spends in India on Data Center Systems, Software and Devices. Smartphone shipments are expected to grow by 15% in 2017 recovering from the impact of demonetization in 2016. With growth increasingly coming from the rural markets, the C and D category cities which are a core strength of Compuage will help it reap maximum benefit from future growth.

In FY2016-17, the overall IT hardware and packaged software market recovered from the sluggish growth in the previous year. As per the NASSCOM estimates, the revenue growth for the IT Hardware segment picked up from ~2% in FY2015-16 to 5.4% in FY2016-17 and that for the packaged software went up from 4.5% to 10.4%. In contrast, the volumes of PC, mobile phone and tablets showed a decline in 2016. PC shipments dropped by 15.2%, mobile phone shipments by 3.4% and tablets by 3.1%, as per IDC. Subdued consumer demand during the first half and demonetization played an important role. The silver lining in this dark cloud was the continued growth of smartphone shipments (5.3%) in 2016 and the increasing Average Selling Price (ASP) of smartphones. In this market context, Compuage has once again managed to beat the industry growth by delivering a Y-o-Y increase of 32.58% in operating revenue from the Indian market in FY2016-17. In line with the market trends, the biggest growth driver for Compuage has been Enterprise Business. We are currently selling Software, Networking and Security products through System Integrators to this segment. Mobility segment currently contributes 15% of the overall business, much less than peers, hence it will also be a key growth driver in the near future. We continued to expand our market penetration and now have a reach in nearly 800 cities with more than 10,000 partners. Demonetization had a small impact overall with sales marginally hit in the November 2016

“ India is an extremely value-conscious market, and as a result, one can see that the smartphones have disrupted PC market for the consumers, and Cloud Computing is similarly disrupting the enterprise market. 77% of urban and 92% of rural users use mobile as the primary device for accessing the internet, and not the PC ”

to January 2017 period. It also manifested for a limited period in the form of higher inventories, slower collections and dip in profitability from higher discounts. On an annual basis though, the EBITDA and PBT grew at 24.5% and 24.3% respectively over the previous year, a much faster pace than the overall top line growth of 14.3%. This is a testament to our benchmark setting pioneering practices and people productivity.

In FY2016-17, we signed up 14 new product lines, which will reflect in our financial performance in the coming years. Going forward we will continue to add more and more products to enhance the positive network externalities. We have made adequate investments in technology infrastructure to support a much larger scale of business without additional capital expenditure. In line with this strategy, we entered into an agreement with 'Apple', in April 2017, to distribute their products in the Northern and Eastern regions of the country. The benefits for the same shall start accruing from FY2017-18 onwards. Our integrity and reputation form the strong foundation on which we have built our position as one of the top 5 companies in the technology distribution space. Last 30 years have been great, but now we want to make the next 3 years even bigger for Compuage. We have the passion, the people and a unique purpose to be the Distribution Highway for Digital India to make it happen.

With warm regards,

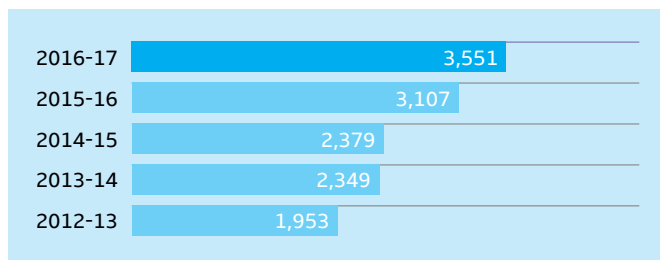
Atul H. Mehta

Chairman & Managing Director

Financial Highlights

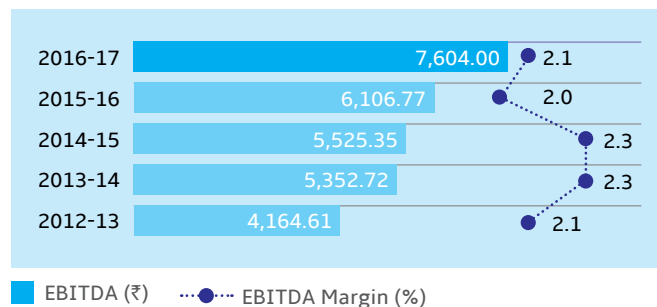
NET REVENUE

(₹ in Lakh)



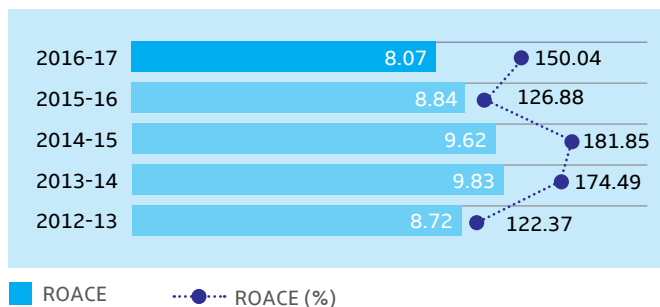
EBITDA

(₹ in Lakh)



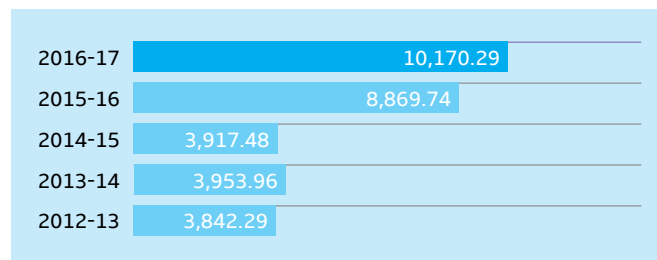
ROACE

(Times)



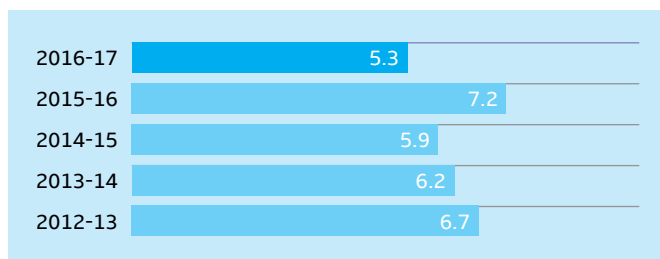
FREE CASH

(₹ in Lakh)



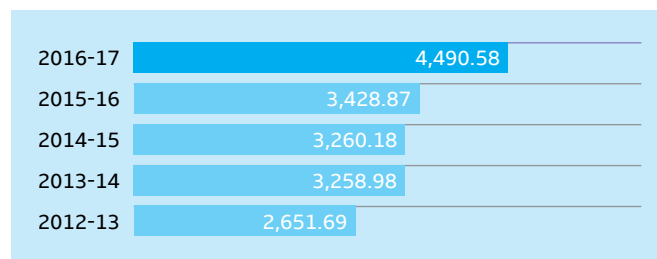
GEARING

(Times)



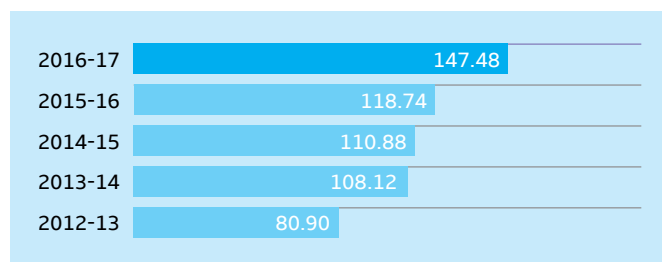
INTERESTS

(₹ in Lakh)

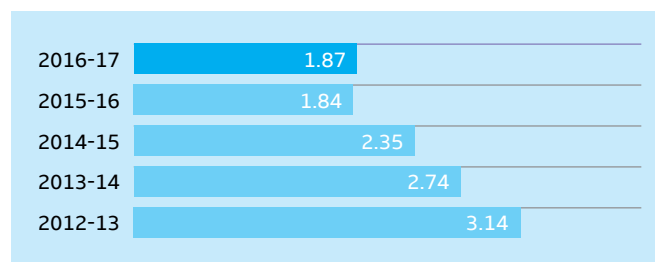


EMPLOYEES PRODUCTIVITY

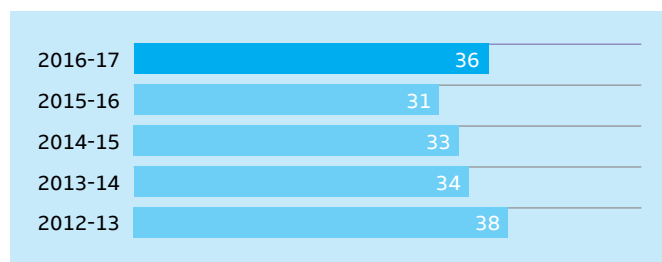
(₹ in Lakh per hour)

**OVERHEADS**

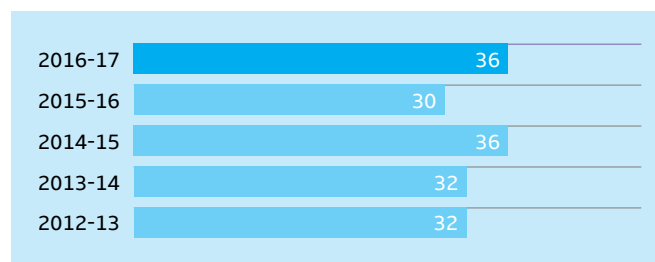
(%)

**INVENTORY CYCLE**

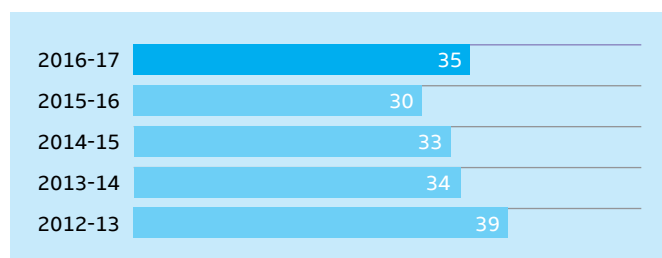
(Days)

**DEBT CYCLE**

(Days)

**WORKING CAPITAL CYCLE**

(Days)

**THE TAKEAWAY:**

A diversified business model, strong client base, impressive portfolio of products and services means that Compugate is perfectly positioned for delivering growth and high returns year-on-year.

Our Principles

Our Vision, Mission and Values drive what we do – and how we do it.



Vision

- A world-class IT and Mobility Products and Services Company, with strong Indian values and beliefs



Mission

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



Values

- Integrity and Fairness
- Reliability and Commitment
- Teamwork
- Respect for All
- Excellence
- Passionate



People Power

What makes Compuage truly different is our employees. Their passion, persistence and professionalism have enabled us to deliver on our promise. Recognizing their pivotal role in our success, we are proud to put our employees first. We believe that only when we encourage and engage our employees will they be able to create a differentiated value proposition for our customers. Simplistically put, when we put our employees first, we are putting the building blocks in place to actually deliver on our promise of customers first. If we do not put the employee first, there is no way we can get the customer first. Aligned to this philosophy, we have followed the path of not outsourcing any work but reaching our destination through the committed efforts of our own people.

Employee development and empowerment is thus at the core of the Company's agenda. In keeping with this approach, we provide strategic training in sales and marketing as well as carry out programs to update them on the new trends in IT and Mobility space. We are seeing the result perceptibly with our employees consistently scoring high on efficiency and effectiveness. Empowered by our people, we will continue to seek and adapt the best HR practices that put our employees first.

Directors' Report

To,
The Members,
COMPUAGE INFOCOM LIMITED

Your Directors have pleasure in presenting 18th Annual Report of Compuage Infocom Limited (the "Company" or "CIL") on the business and operations of the Company, along with the audited financial statements for the financial year (FY) ended 31st March 2017.

FINANCIAL HIGHLIGHTS

The highlights of the Financial Results are:

Particulars	Standalone		Consolidated	
	31 st March 2017	31 st March 2016	31 st March 2017	31 st March 2016
Revenue from Operations & Other Income	357047.91	269001.08	357047.97	311700.23
Less: Expenses	349442.79	262998.44	349443.97	305593.46
Profit before Interest, Taxation & Depreciation	7605.12	6002.64	7604.00	6106.77
Less: Finance Costs	4490.58	3425.91	4490.58	3428.87
Less: Depreciation	340.61	449.09	344.29	450.23
Profit before Tax	2773.93	2127.64	2769.13	2227.67
Less: Provision for taxation	1006.49	725.56	1006.49	737.10
Profit after Tax Provision	1767.44	1402.08	1762.64	1490.57
Balance brought forward	6434.32	5837.43	6530.71	5845.33
Amount available for Appropriation:	8201.76	7239.51	8293.35	7335.90
Less: Bonus Shares issued	-	399.30	-	399.30
Less: Dividend	-	-	-	-
Dividend for Financial year 2015-2016	-	101.86	-	101.86
Dividend Tax for Financial year 2015-2016	-	21.24	-	21.24
Interim Dividend	-	-	-	-
Proposed Dividend	234.96	234.96	234.96	234.96
Dividend Distribution Tax	47.83	47.83	47.83	47.83
Less: Unrealised Profit	-	-	-	-
Less: Foreign Currency Translation Reserve	-	-	-	-
Less: Minority Interest	-	-	-	-
Balance Carried to Balance Sheet	7918.97	6434.32	8010.56	6530.71
EPS (Basic)	3.01	11.93	3.00	12.69
EPS (Diluted)	3.01	11.93	3.00	12.69

BUSINESS PERFORMANCE:

Standalone:

The Company registered significant increase in revenue by 32.73%. The Company's revenue increased to ₹ 357047.91 Lakh as compared to ₹ 269001.08 Lakh in the previous year marking an increase by ₹ 88046.83 Lakh. The Company's net profit after tax stood at ₹ 1767.44 Lakh as compared to ₹ 1402.08 Lakh in the previous year recording an increase of 26.06%.

Consolidated:

The consolidated increase in revenue was 14.55%. Our consolidated revenue has grown to ₹ 357047.97 Lakh as compared to ₹ 311700.23 Lakh in the previous year. The Company's net profit after tax stood at ₹ 1762.64 Lakh as compared to ₹ 1490.57 Lakh in the previous year and thus net profit recorded a growth rate of 18.25%. Overall the year gone by has been good and your Directors are hopeful of favourable time in future too.

DIVIDEND:

For the financial year 2016-17, your Directors have recommended a dividend of ₹ 0.40 paisa per share on face value of ₹ 2/- per share of the Company, i.e. 20 per cent. The said dividend on Equity Shares is subject to the approval of the Shareholders at the Annual General Meeting (AGM).

TRANSFER TO RESERVES:

The whole profit after tax has been transferred to Surplus in the Statement of Profit & Loss. No amount is transferred to General Reserves Account.

BUSINESS STRATEGY:

Compuage is a leading technology products distribution company in India by technology products primarily, we carry the IT and mobility products. During the year under review, Company has signed up new relationships with vendors for distribution of products in India. Its business strategy is based on following principles:

- Partnering up new viable businesses and build lasting relationships with existing, new and potential partners.
- To reach rural market, penetrate deeper in the current markets and trying to grow the business in the existing product line.
- Launch of online purchase model for Channel Partners which will help to tap larger market share.
- To deliver differentiated offerings to the clients which in turn will enhance their productivity and thus brings overall efficiency and effectiveness of the business
- Periodically optimise various operational parameters to bring in effectiveness of organizational structure and processes which helps in aligning and meeting strategic goals.

To meet its theme line Connect, Partner and Grow, Company had adopted a strategy of Accelerated Compuage Transformation. This transformation is based on 3 factors viz. Speed, Process and Automation, and Numbers.

Basically, the Board is fairly bullish about future and working on the targets for upcoming years. Your Directors are making all good efforts to achieve the better results in years to come.

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

Compuage Infocom (S) Pte. Ltd. is a Wholly Owned Subsidiary of the Company. There was no business activity in the Subsidiary Company during the year since, Company has transferred its business to Singapore Branch.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the

financial statements of the subsidiary companies in Form AOC-1 is appended as Annexure A to the Board's Report.

Further, no new subsidiary was acquired nor any subsidiary ceased to exist.

OVERSEAS OPERATIONS:

Your Company's overseas operations are carried out through branch office established in Singapore. It has served as a medium to manage business more effectively. This overseas presence has enabled to achieve economies of scale.

CONSOLIDATED FINANCIAL STATEMENTS:

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

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

SHARE CAPITAL (SUB-DIVISION OF EQUITY SHARES):

Your Board of Directors recommended for sub-division of Equity Shares which was approved by the Shareholders through Postal Ballot passed on 21st January 2017 and the results of the same were declared on 24th January 2017. Accordingly, the Equity Shares of face value ₹ 10/- (Rupees Ten only) each were sub-divided into 5 Equity Shares of face value of ₹ 2/- (Rupees Two only) each. Consequently, the number of issued, subscribed and paid-up Equity Shares increased from 11747999 Equity Shares to 58739995 Equity Shares. Pursuant to sub-division, new ISIN No. INE070C01037 was allotted by NSDL and CDSL for compulsory dematerialization of shares.

The Board of Directors at its meeting held on 15th December 2016 approved a proposal to sub-divide the face value of Equity Shares of the Company from ₹ 10 (Rupees Ten only) to ₹ 2 (Rupees Two only) per share. The Company received approval of the Shareholders through Postal Ballot for sub-division of shares on 21st January 2017 and the results of the same were declared on 24th January 2017. The record date fixed for sub-division of shares was 17th February 2017. Shareholders with Equity Shares of ₹ 10/- each of the Company in electronic form received direct credit of the sub-divided shares of ₹ 2/- each of the Company to their depository account. The Company issued new share certificate of ₹ 2/- each in place of the old share certificates, for shareholders holding shares in physical form. 11747999 Equity Shares of face value ₹ 10/- each were sub-divided into 58739995 equity shares of face value ₹ 2/- each and there is no change in the paid-up share capital of the

Company consequent upon sub-division of the face value of the equity shares.

Pursuant to sub-division, new ISIN No. INE070C01037 was allotted by NSDL and CDSL for compulsory dematerialization of shares.

LIQUIDITY:

We maintain sufficient cash to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. We are agile and prepared to meet unforeseen business needs, if any.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

The current policy is an appropriate mix of Executive and Non-executive Directors to maintain the independence of the Board, and separate its function of governance and management. On 31st March 2017, the Board consists of 5 members, 2 of whom are Executive Directors and 3 are Non-executive Directors.

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

There has been no change in the composition of the Board since the last financial year.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013, following persons are Key Managerial Personnel of the Company:

- Mr. Atul H. Mehta – Managing Director
- Mr. Bhavesh H. Mehta – Whole Time Director
- Mr. Sunil Mehta - Chief Financial Officer and
- Mrs. Disha Shah Gandhi - Company Secretary

There has been no change in the Key Managerial Personnel during the year.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board, Committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed at the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

BOARD MEETINGS:

The Board met twelve times during this financial year, the details of which are given in Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is set out at Annexure B of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. The policy is available on the website of the Company.

ABSTRACT OF THE ANNUAL RETURN:

As provided under Section 92(3) and Section 134 (3) (a) of the Companies Act, 2013, the extract of annual return is given in Annexure C in the prescribed Form MGT-9, which forms part of this report.

CORPORATE GOVERNANCE:

Report on Corporate Governance duly approved by the Board of Directors in accordance with Listing Regulations, along with a certificate from the Statutory Auditors confirming the compliance is given separately in this Annual Report Annexure D.

MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis which includes details on the state of affairs of the Company as required under the Regulation 34(2) (e) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure E and forms part of the Boards' Report.

C. Earnings And Outgo in Foreign Exchange:

Particulars	Standalone		Consolidated	
	Current Year (in ₹)	Previous Year (in ₹)	Current Year (in ₹)	Previous Year (in ₹)
Foreign Exchange Earnings	14777.74	9521.26	14777.74	9521.26
Foreign Exchange Outgo	14742.18	9449.62	14742.18	9449.62

(₹ in Lakh)

PREVENTION AND REDRESSAL OF SEXUAL HARASSEMENT AT WORK PLACE:

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

HUMAN RESOURCES:

Your Company considers people as its biggest assets. It has put concerted efforts in talent management and succession planning practices, strong performance management, learning and training initiatives to ensure that your Company consistently develops inspiring, strong

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

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

A. Conservation of energy:

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

B. Technology absorption

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

and credible leadership. The Company has a structured induction process at all locations. During the year, your Company has ensured that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow.

The enthusiasm and unstinting efforts of employees have enabled the Company to improve productivity across organization.

PERFORMANCE OF EMPLOYEES:

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

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

Sr. No.	Name of the Directors	Designation	Ratio to median remuneration of the employees
1.	Mr. Atul H. Mehta	Chairman and Managing Director	55.02:1
2.	Mr. Bhavesh H. Mehta	Whole-time Director	55.02:1
3.	Mr. Ganesh Shiva Ganesh	Non-Executive & Independent Director	NA
4.	Mrs. Preeti Trivedi	Non-Executive & Independent Director	1.18:1
5.	Mr. Vijay Agarwal	Non-Executive & Independent Director	1.18:1

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

Sr. No.	Name of the Directors	Designation	Ratio to median remuneration of the employees
1.	Mr. Atul H. Mehta	Chairman and Managing Director	NIL
2.	Mr. Bhavesh H. Mehta	Whole-time Director	NIL
3.	Mr. Ganesh Shiva Ganesh	Non-Executive & Independent Director	NIL
4.	Mrs. Preeti Trivedi	Non-Executive & Independent Director	5.26%
5.	Mr. Vijay Agarwal	Non-Executive & Independent Director	11.11%
6.	Mr. Sunil Mehta	Chief Finance Officer	No change
7.	Ms. Disha Shah	Company Secretary	No change

iii) The percentage increase in the median remuneration of employees in the financial year: 13.72%

iv) The number of permanent employees on the rolls of Company: 697

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

The median percentage increase made in the salaries of employees other than the managerial personnel was 15.09%. These increases are a function of the Company's market competitiveness based on the salary benchmarked survey, the Company undertakes annually.

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

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

Name (Age)	Designation, Nature of duties & Date of commencement of Employment	Qualification /Experience	Gross Remuneration ₹	Nature of employment	Relationship
Atul H. Mehta (56)	Chairman & Managing Director, Specialized in Finance & Strategic Planning (16.06.2000)	MBA – U.S.A. (27)	1,68,00,000/- (w.e.f. 08.09.2014)	Contractual	Brother of Mr. Bhavesh Mehta, Whole-time Director
Bhavesh H. Mehta (44)	Whole-time Director, Specialized in Imports & Logistics (18.10.2000)	M.Com (20)	1,68,00,000/- (w.e.f. 18.10.2014)	Contractual	Brother of Mr. Atul Mehta, Managing Director

Note:

1. Nature of employment is contractual.
2. The above amount does not include provision of gratuity, provident fund and leave encashment.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS:

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

Additionally, the Board has appointed M/s. Agarwal Desai & Shah, Chartered Accountants (Firm Reg. No. 124850W) as Internal Auditors of the Company in accordance with Section 138 of the Companies Act, 2013 to have financial control checks and ensure adequate transparency.

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls.

AUDITORS:

Under Section 139 of the Companies Act, 2013 and the rules framed thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said Section. The Audit Committee at its meeting held on 14th August 2017 proposed and the Board of Directors recommended the appointment of M/s. Bhogilal C. Shah & Co., having Firm Registration No. 101424W, as the Statutory Auditors who will hold the office for a period of 5 consecutive years from the conclusion of 18th Annual General Meeting till the conclusion of 23rd Annual General

Meeting of the Company to be held in 2022, subject to approval of Shareholders.

A resolution to that effect forms part of notice of the 18th Annual General Meeting sent along with this Annual Report.

AUDITORS' REPORT, DISCLAIMER AND MANAGEMENT'S REPLY:

There are no qualifications, reservations or adverse remarks made by M/s. B.V. Dalal & Co., Statutory Auditors, in their report for the financial year ended 31st March 2017. Hence, the report is self-explanatory.

SECRETARIAL AUDIT, REPORT AND OBSERVATION

The Board of Directors have appointed Mr. Virendra G. Bhatt, Practicing Company Secretary, Mumbai, to conduct Secretarial Audit for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report in Form MR-3, for the financial year 2016-17, forms part of the Directors' Report as Annexure F.

SECRETARIAL AUDITOR'S OBSERVATION AND MANAGEMENT'S REPLY:

There are no qualifications, reservations or adverse remarks made by Practicing Company Secretary, in their report for the financial year ended 31st March 2017. Hence, the report is self-explanatory.

RELATED PARTY:

As a part of its philosophy of adhering to ethical standards, transparency and accountability and in line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has adopted a policy on Related Party Transactions which is placed on the Company's website. All the Related Party Transactions are in the ordinary and normal course of business and at arm's length.

All Related Party Transactions are periodically placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as Annexure G of this Annual Report.

LOANS, GUARANTEES & INVESTMENTS:

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

AUDIT COMMITTEE:

The Audit Committee meets regularly to review reports, including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on

financial statements, including the financial reporting system, compliance to accounting policies and procedures.

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

NOMINATION AND REMUNERATION COMMITTEE:

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

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

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

FAMILIARIZATION PROGRAMME:

The Familiarization Programme for the Independent Directors aims to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

The policy undertaken by the Company in this respect has been disclosed on the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

- i. That in preparation of the Annual Accounts for the year ended 31st March 2017, 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 2017 and the profits of the Company for the year under review;

- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts for the year ended 31st March 2017 have been prepared on a 'going concern basis'.
- v. That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.
- vi. That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

INSURANCE & RISK MANAGEMENT:

Business risks exist for any enterprise having national and international exposure. Your Company also faces some such risks, the key ones being - a longer than anticipated delay in economic revival, unfavorable exchange rate fluctuations, emergence of inflationary conditions, rise in counterfeits and look-alikes and any unexpected changes in regulatory framework.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

FIXED DEPOSIT:

The Company has not accepted Fixed Deposits and therefore the compliance of the same as per the provisions of Companies Act, 2013 and rules thereon is not required. However, the Board vide its meeting held on 6th June 2017 recommended the Members via Postal Ballot to obtain Unsecured Fixed Deposits to an amount not exceeding 10% of the aggregate paid-up share capital and free reserves of the Company from Members and 25% of the aggregate paid-up share capital and free reserves of the Company from Public. Pursuant to applicable provisions, the Company shall follow the prescribed procedure.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and in line with the best governance practices. For this purpose, a policy has been laid down through which Directors, employees and business associates can report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's Code

of Conduct without fear of reprisal. The Whistle- Blower Protection Policy aims to:

- Allow and encourage stakeholders to bring to the Management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's website.

MATERIAL CHANGES AND COMMITMENTS, IF ANY:

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

APPRECIATION:

Your Directors are thankful to the Vendors, Customers, Bankers, Business Partners, Central and State Governments together with their departments and the local authorities, Employees for their valuable support and co-operation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

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

Sd/-
Atul H. Mehta
Chairman and Managing Director

Mumbai, 14th August 2017

Registered Office:

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

FORM AOC-I:

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY

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

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

1. Name of the Subsidiary	:	Compuage Infocom (S) Pte. Ltd.
2. Turnover	:	
Current Period	:	Nil
Previous Period	:	₹ 43,787.03 Lakh
Growth (%)	:	(100.00%)
3. Profit/(Loss) Before Tax	:	
Current Period	:	₹ (4.87) Lakh
Previous Period-	:	₹ 263.99 Lakh
Growth (%)	:	(98.15%)
4. Profit/(Loss) After Tax	:	
Current Period-	:	₹ (4.87) Lakh
Previous Period-	:	₹ 252.46 Lakh
Growth (%)	:	(98.07%)

PART "A": SUBSIDIARIES

Sr. No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the Subsidiary	Compuage Infocom (S) Pte. Ltd.
3.	The date since when subsidiary was acquired	2009-2010
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same as Parent Co.
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD 1USD = 64.86 INR
6.	Share Capital	₹ 64.85 lakh
7.	Reserves and Surplus	₹ 56.17 Lakh
8.	Total Assets	₹ 579.23 Lakh
9.	Total Liabilities	₹ 453.56 Lakh
10.	Investments	Nil
11.	Turnover	Nil
12.	Profit before taxation	₹ (4.87) Lakh
13.	Provision for taxation	Nil
14.	Profit after taxation	₹ (4.87) Lakh
15.	Proposed Dividend	Nil
16.	Extent of shareholding (in %)	100

Note:

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

PART "B": ASSOCIATES AND JOINT VENTURES

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

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

FOR COMPUAGE INFOCOM LIMITED

Sd/-

Atul H. Mehta

Chairman and Managing Director

Mumbai, 14th August 2017

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Your Company strongly believes in the concept of 'sustainable livelihood' and this can be achieved only through active contribution to socio-economic development of communities in which Company operates. Your Company's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

CSR Policy of the Company is available on website of the Company at www.compuageindia.com

Composition of the CSR Committee:

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

Average Net Profit of the company for last 3 financial years : ₹ 1855.59 Lakh

Threshold Limit-(2% of this amount) : ₹ 37.11 Lakh

Details of CSR activities/projects undertaken during the year:

Particulars	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes Local area/ others	Amount outlay (budge) project/ program wise	Amount spent on the project/ program	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementation agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Health			Provided medical assistance.	1169000	1169000	1169000	Directly and through NGOs/ Charitable houses
Education			Provided financial assistance to needy students.	2090000	2090000	3259000	Directly and through NGOs/ Charitable houses
Sports			Encouraged sports by funding Marathon programme.	50000	50000	3309000	Through NGOs/ Charitable houses
Social			To provide food, blankets and other necessities.	1500000	1500000	4809000	Directly and through NGOs/ Charitable houses

(a) Total amount to be spent for the year: ₹ 37.11 Lakh

(b) Amount carried forward from earlier years: Nil

(c) Amount spent during the year: ₹ 48.09 Lakh

(d) Amount carried forward for the year: Nil

* Details of the implementing agencies:

- United Way of Mumbai
- Sanskar India Foundation
- Konark Cancer Foundation
- Inga Health Foundation
- Shree Vagad Graduates Association
- Smt. Indiraben Amibhai Shah Foundation

For Compuage Infocom Limited,

Sd/-

Atul H. Mehta
Managing Director

Sd/-

Ganesh S. Ganesh
Chairman- CSR Committee

Mumbai, 14th August 2017

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2017

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

I. REGISTRATION AND OTHER DETAILS:-

Sr. No.	Particulars	Details
1.	CIN	L99999MH1999PLC135914
2.	Registration Date	27/07/1999
3.	Name of the Company	Compuage Infocom Limited
4.	Category / Sub-Category of the Company	Company Limited by Shares
5.	Address of the Registered Office of the Company	D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth Steel Compound, Western Express, Highway, Goregaon (E), Mumbai-400063.
6.	Contact details of the Company	Tel No. : 022-67114444, Fax No.: 022-67114445
7.	Whether Listed Company: (Yes / No)	Yes
8.	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C 101, 247 Park, L. B. S Marg, Vikhroli West, Mumbai 400 083. Tel No.: +91 22 49186000 Fax No.: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Wholesale of computers, computer peripheral equipment and software	4651	20.66%
2.	Wholesale of electronic and telecommunications equipment and parts	4652	Nil

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

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

IV. SHARE HOLDING PATTERN

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

i) Category-wise Share Holding –

Category of Shareholders	No. of Shares held at the beginning of the year-				No. of Shares held at the end of the year-				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	7222324	0	7222324	61.48	36111620*	0	36111620*	61.48	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	7222324	0	7222324	61.48	36111620	0	36111620	61.48	0
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) =(A) (1)+(A)(2)	7222324	0	7222324	61.48	36111620	0	36111620	61.48	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	64	0	64	0	320*	0	320*	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Foreign Portfolio Investor)	1100000	0	1100000	9.36	5500000	0	5500000	9.36	0
Sub-total (B)(1):-	1100064	0	1100064	9.36	5500320	0	5500320	9.36	0

Category of Shareholders	No. of Shares held at the beginning of the year-				No. of Shares held at the end of the year-				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	1005567	6417	1011984	8.61	4240002	31765	4271767	7.27	-1.34
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	454266	65302	519568	4.42	2862810	324110	3186920	5.41	0.99
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	603308	10569	613877	5.23	3043654	52845	3096499	5.27	0.05
c) Others (specify)									
i. Clearing Member	30169	0	30169	0.26	245614	0	245614	0.42	0.16
ii. Market Maker	64	0	64	0.00	320	0	320	0.00	0.00
iii. Non Resident Indians (Repat)	1062081	51502	1113583	9.48	5254053	257510	5511563	9.38	-0.1
iv. Non Resident Indians (Non Repat)	1577	64	1641	0.01	30346	320	30666	0.05	0.04
v. Foreign Companies	0	87560	87560	0.75	0	437800	437800	0.75	0.00
vi. HUF	45877	1288	47165	0.40	147851	0	147851	0.25	-0.15
vii Foreign Portfolio Investor (Individual)	0	0	0	0	199055	0	199055	0.34	0.34
Sub-total (B)(2):-	3202909	222702	3425611	29.16	16023705	1104350	17128055	29.16	0.00
Total Public Shareholding(B) =(B) (1)+(B)(2)	4302973	222702	4525675	38.52	21524025	1104350	22628375	38.52	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11525297	222702	11747999	100.00	57635645	1104350	58739995*	100.00	0.00

*Change in no. of share is on account of Split of Equity Share face value from ₹ 10/- per share to ₹ 2/- per share.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Bhavesh Harkishandas Mehta	2848776	24.25 %	-	14243880	24.25 %	-	0
2.	Atul Harkishandas Mehta	2848774	24.25 %	-	14243870	24.25 %	-	0
3.	Ajay Harkishandas Mehta	724774	6.16 %	-	3623870	6.16 %	-	0
4.	Ajay Harkishandas Mehta	800000	6.81 %	-	4000000	6.81 %	-	0
	Total	7222324	61.48 %	-	36111620	61.48 %	-	0

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

Sr. No.	Names of Promoter	Shareholding at the beginning of the year		Datewise Increase/ Decrease in Shareholding during the year		Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Bhavesh Harkishandas Mehta	2848776	24.25%	21.01.2017	11395104	Sub-division of Equity Shares	14243880	24.25%
2.	Atul Harkishandas Mehta	2848774	24.25%	21.01.2017	11395096	Sub-division of Equity Shares	14243870	24.25%
3.	Ajay Harkishandas Mehta	724774	6.16%	21.01.2017	2899096	Sub-division of Equity Shares	3623870	6.16%
4.	Ajay Harkishandas Mehta	800000	6.81%	21.01.2017	3200000	Sub-division of Equity Shares	4000000	6.81%

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Kitara India Micro Cap Growth Fund	1100000	9.36	5500000	9.36
2.	Rashmi Bothra	358880	3.05	1794400	3.05
3.	Dilip S Mehta	329600	2.81	1638000	2.79
4.	Rajesh Bothra	325411	2.77	1327055	2.26
5.	Nirshilp Securities Pvt. Ltd.	276014	2.35	1280070	2.18
6.	Subhash Suganlal Runwal	177937	1.51	848000	1.44
7.	Tisya Financial Services Private Limited	177200	1.51	636000	1.08
8.	Ajcon Finance Limited	309720	2.64	549576	0.94
9.	Khadija Karim Jagmagia	93120	0.79	465600	0.79
10.	Sangita Suketu Sanghvi	13827	0.12	379235	0.65

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Atul H. Mehta	2848774	24.25%	14243870*	24.25%
2	Mr. Bhavesh H. Mehta	2848776	24.25%	14243880*	24.25%
3	Mr. Ganesh S. Ganesh	251	0	1255*	0
4	Mr. Vijay Agarwal	0	0	0	0
5	Mrs. Preeti Trivedi	0	0	0	0
6	Mr. Sunil Mehta	160	0	800*	0
7	Ms. Disha Shah	0	0	0	0

*Change in Shareholding is due to Sub-division of Equity Shares vide Members resolution passed on 21st January 2017.

V. INDEBTEDNESS

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

(₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16708.85	11150.75	0	27859.60
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	16708.85	11150.75	0	27859.60
Change in Indebtedness during the financial year				
• Addition	1947.17	2204.6	0	4151.77
• Reduction	0	0	0	0
Net Change	1947.17	0	0	4151.77
Indebtedness at the end of the financial year				
i) Principal Amount	18656.02	13355.35	0	32011.37
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	18656.02	13355.35	0	32011.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Atul H. Mehta (Managing Director)	Bhavesh H. Mehta (Whole-Time Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,68,00,000	1,68,00,000	3,36,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	1,68,00,000	1,68,00,000	3,36,00,000

B. Remuneration to other Directors:

Particulars of Remuneration	Names of Non-Executive Independent Directors			Total Amount
	Ganesh Shiva Ganesh	Vijay Agarwal	Preeti K Trivedi	
Fee for attending Board / Committee meetings	0	400000	400000	800000
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total	0	400000	400000	800000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
A.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,20,000	65,34,200	70,54,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
B.	Stock Option	-	-	-
C.	Sweat Equity	-	-	-
D.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
E.	Others, please Specify	-	-	-
	Total	5,20,000	65,34,200	70,54,200

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			None		
Compounding					

FOR COMPUGAGE INFOCOM LIMITED

Sd/-

Atul H. Mehta

Chairman and Managing Director

Mumbai, 14th August 2017

CORPORATE GOVERNANCE REPORT

Corporate Governance is all about ethical conduct, openness, integrity and accountability of a Company. Healthy Corporate Governance enjoins a commitment of the Company to run the business in legal, ethical and transparent manner emanating from the top and permeating throughout the organization. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the Company. Credibility generated by sound Corporate Governance enables a Company in enhancing the confidence of the investors and in establishing productive and lasting business relationship with all stakeholders.

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Compuage Infocom Limited views Corporate Governance principles as an important pivot to decision making process. It forms part of business strategy which includes, inter-alia, creating an organization intended to maximise wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards entire community and society. Being a value driven organization the Company envisages attainment of the highest level of transparency, accountability, co-ordination and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value. It's initiatives towards adhering to highest standards of Governance includes self-governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance requirements of SEBI. The Corporate Governance Principles implemented by your Company seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them. Strong Governance practices have rewarded the Company in the sphere of improved share valuations, stakeholders' confidence, improved market capitalization, high credit ratings and awards from appropriate authorities for its brands, stocks, environmental protection, etc.

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

2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system.

The Corporate Governance structure at Compuage Infocom Limited is as follows:

1. **Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
2. **Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

CIL's Company Secretary acts as the Secretary to all the Committees.

3. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 consisting of 2 Executive Directors and 3 Non-Executive Independent Directors.

The Directors on the Board are highly renowned professionals drawn from diverse fields, possess the requisite qualifications and experience in general corporate management, finance, banking, insurance, economics and other allied fields which enable them to contribute effectively to your Company and enhance the quality of Board's decision making process. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business. The tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the prescribed criteria.

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

Membership, Attendance & Other Directorships:

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies as on 31st March 2017 is given herein below:

Name of Director	Designation	No. of Directorship in other Public Ltd. Companies	Other Companies Committees	
			Membership	Chairmanship
Mr. Atul Mehta(DIN: 00716869)	Promoter, Executive, Chairman & Managing Director	0	Nil	Nil
Mr. Bhavesh Mehta (DIN: 00740861)	Promoter, Executive and Whole-time Director	0	Nil	Nil
Mr. Ganesh S. Ganesh (DIN: 00010877)	Non-Executive & Independent Director	2	Nil	Nil
Mr. Vijay Agarwal (DIN: 00058548)	Non-Executive & Independent Director	6	8	1
Mrs. Preeti Trivedi (DIN: 00179479)	Non-Executive & Independent Director	1	Nil	Nil

Note:

- The Directorship held by Directors as mentioned above, do not include Directorships in Compugate Infocom Limited and of Foreign Companies, Section 8 Companies of the Companies Act, 2013 and Private Limited Companies.
- In accordance with SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committee of all Public Limited Companies have been considered.
- As required by the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, none of the Directors hold Directorship in more than 20 public companies, membership of Board Committees (Audit Committees/ Stakeholders Relationship Committee) in excess of 10 and Chairmanship of Board Committees as aforesaid in excess of 5.
- Except Mr. Atul H. Mehta, Chairman & Managing Director and Mr. Bhavesh H. Mehta, Whole-time Director are related to each other as brothers, none of the other Director is related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies including performance of the Company, employee relations, review the financial performance, etc. of the Company. The Board Meetings are pre-scheduled and notice and detailed agenda along with the relevant notes and other material information is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. This ensures timely and informed decisions by the Board.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness

of the Company's governance practices for enhancing the stakeholders' value.

In the financial year 2016-17, the Board met twelve times. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Listing Regulations.

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

6th April 2016 :: 2nd May 2016 :: 10th June 2016 :: 5th July 2016 :: 5th August 2016 :: 6th September 2016 :: 1st October 2016 :: 28th October 2016 :: 15th December 2016 :: 21st January 2017 :: 9th February 2017 :: 17th March 2017.

Name of the Directors	Relationship with other Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last A.G.M.
Mr. Atul Mehta (DIN: 00716869)	Brother of Mr. Bhavesh Mehta	12	12	No
Mr. Bhavesh Mehta (DIN: 00740861)	Brother of Mr. Atul Mehta	12	12	No
Mr. Ganesh S. Ganesh (DIN: 00010877)	#	12	9	Yes
Mr. Vijay Agarwal (DIN: 00058548)	#	12	4	Yes
Mrs. Preeti Trivedi (DIN: 00179479)	#	12	4	Yes

There is no relationship among any of the Directors.

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

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

CODE OF CONDUCT:

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel as on 31st March 2017 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is enclosed at the end of this Report.

COMMITTEES OF THE BOARD

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

- Audit Committee,
- Stakeholders' Relationship Committee,
- Nomination and Remuneration Committee,
- Corporate Social Responsibility Committee,

A. AUDIT COMMITTEE

a) Composition of Independent Audit Committee

The Committee comprises of three Members who possess strong accounting and financial management knowledge. All the members of Audit Committee are Independent Directors of the Company. Mr. Ganesh S. Ganesh, Chairs the Committee. The Company Secretary acts as a Secretary to the Committee.

The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Chairman of the Audit Committee regularly interacts with the Internal Auditors and Statutory Auditors of the Company to have independent discussions with them. The previous Annual General Meeting of the Company was held on 24th September 2016 and the same was attended by the Chairman of the Audit Committee.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation. They function in accordance with its terms of reference that defines its authority, responsibility and reporting function.

b) Terms of Reference of Audit Committee:

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing with the Management, the Annual Financial Statements and Auditors' Report before submission to the Board for approval, with particular reference to:
 - Matters to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.

- Major accounting entries involving estimates based on the exercise of judgment by the Management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any Related Party Transactions.
- Qualifications in the draft audit report, if any.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism;
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
- To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor's Report;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- To mandatorily review the following information;
 - To define significant related party transactions;
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor

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

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

The Committee met 4 times during the year under review. The said meetings were held on 02.05.2016, 05.08.2016, 28.10.2016 and 09.02.2017.

The necessary quorum was present for all the meetings.

B. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act. To ensure that remuneration to the Board and senior management is in line with the strategic aims of the business, the Company has a Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviews and approves the annual salaries, performance commissions, service agreements and other employment conditions for Executive Directors.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down,

and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

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

Composition

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

Name of Director	Category	Position	No. of meetings	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairman	3	3
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	3	2
Mrs. Preeti K. Trivedi	Non-Executive Independent Director	Member	3	3

The Committee met 3 times a year on 05.08.2016, 15.12.2016 and 09.02.2017. The necessary quorum was present for all the meetings.

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

Remuneration Policy

The Company's remuneration policy is based on the fundamental rule of rewarding performances as against earmarked objectives. While deciding on remuneration for Directors, the Board and Nomination & Remuneration Committee considers the performance of the Company,

current trend in the industry, the qualification of the appointee, his experience, past performance and other relevant factors. This information is used to review the company's remuneration policies. The policy aims at attracting and retaining high caliber talent and ensures equity, fairness and consistency in rewarding the employees.

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

Remuneration to Executive Directors:

Name of Director	Position	Salary & Perquisite	Service Contract
Mr. Atul H. Mehta	Chairman & Managing Director	₹ 1,68,00,000 p.a.	3 years w.e.f. 08.09.2014 to 07.09.2017.
Mr. Bhavesh H. Mehta	Whole Time Director	₹ 1,68,00,000 p.a.	3 years w.e.f. 18.10.2014 to 17.10.2017.

There was revision in remuneration payable to Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta. Members approval was granted through Postal Ballot passed on 21st January 2017 to provide remuneration of ₹ 1,68,00,000/-p.a.(Rupees One Crore Sixty Eight Lakh only).

Remuneration to Non-Executive Directors:

The remuneration paid to Non-Executive Independent Directors of the Company Mr. Vijay Agarwal and Mrs. Preeti K. Trivedi based on the recommendation of Nomination & Remuneration Committee is ₹ 1,00,000/- each per Board Meeting attended. Whereas, Mr. Ganesh S. Ganesh, Non-Executive Independent Directors of the Company stated his unwillingness towards acceptance of sitting fees for the Board and Committee meeting to be attended by him. The remuneration excludes reimbursement of expenses on actual basis to Directors for attending meetings of the Board/Committee.

Name	Sitting Fees	Commission
Mr. Vijay Agarwal	₹ 400000	0
Mrs. Preeti K. Trivedi	₹ 400000	0

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

Shareholding of Non-Executive Directors

Details of the Equity Shares held by Non-Executive Directors as on 31st March 2017 is as under:

Name of the Director	Nos. of Equity shares
Mr. Ganesh S. Ganesh	1255
Mr. Vijay Agarwal	NIL
Mrs. Preeti K. Trivedi	NIL

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Act.

The broad terms of reference of the Stakeholders' Relationship Committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

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

- a) The Stakeholders' Relationship Committee met 4 times during the financial year on 02.05.2016, 05.08.2016, 28.10.2016 and 09.02.2017.

The Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

- b) The Company has also appointed Link Intime Private Limited, Mumbai, to act as Registrar and Share Transfer Agent of the Company.
- c) Details of investor complaints received and redressed during the year 2016-17 are as follows:

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

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act. The broad terms of reference of CSR Committee are as follows:

- Formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;

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

Name of Director	Category	Designation	No. of meetings attended	
			Held	Attended
Mr. Ganesh S. Ganesh	Non-Executive Independent Director	Chairperson	4	4
Mr. Vijay Agarwal	Non-Executive Independent Director	Member	4	3
Mr. Bhavesh Mehta	Whole-time Director	Member	4	4

- a) The CSR Committee met 4 times during year on 02.05.2016, 05.08.2016, 28.10.2016 and 09.02.2017.

The details of the CSR initiatives of the Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company and can be accessed through the following link:

http://www.compugeindia.com/share_pdf/CSR_POLICY.pdf

Subsidiary Companies:

Compuge Infocom (S) Pte. Ltd. is a Subsidiary of the Company, incorporated as per laws of Singapore located at 69, UBI Crescent, #03-04 CES Building, Singapore (408561).

Your Company does not have any material non-listed Indian Subsidiary Company, whose turnover or net worth exceeds 20% of the consolidated turnover or networth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015.

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

GENERAL BODY MEETINGS

Annual General Meetings:

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

Year	AGM/ EGM	Date	Time	Venue	Special Resolutions
2015-16	17 th AGM	24.09.2016	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400034	No Special Business
2014-15	16 th AGM	25.09.2015	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400034	No Special Business
2013-14	15 th AGM	23.08.2014	10.00 a.m.	Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Next to Girnar Tower, Mumbai – 400034	<ol style="list-style-type: none"> 1. Appointment of Mr. Ganesh S. Ganesh (DIN: 00010877) as an Independent Director. 2. Appointment of Mr. Vijay Agarwal (DIN: 00058548) as an Independent Director 3. Appointment of Mrs. Preeti K. Trivedi (DIN: 00179479) as an Independent Director 4. Re-appointment of Mr. Atul H. Mehta (DIN: 00716869) as Managing Director 5. Re-appointment of Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-time Director designated as Executive Director

Extra Ordinary General Meetings:

No Extra Ordinary General Meetings were held during the financial year.

Postal Ballot:

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

The Company sought the approval of its Members by way of Postal Ballot, notice dated 15th December 2016. Mr. Virendra Bhatt, Practicing Company Secretary, Mumbai, was appointed by the Board of Director as the Scrutinizer to conduct the Postal Ballot exercise. Mr. Virendra Bhatt conducted the process and submitted his report to Mr. Bhavesh Mehta, Whole-time Director. The results were declared on 23rd January 2017.

RESOLUTION NO.1: APPROVAL FOR THE ISSUE OF NON-CONVERTIBLE DEBENTURES

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	7222324	7222324	99.98	7222324	0	100.00	0.00
Public Institutional Holders	1100064	0	0.00	0	0	0.00	0.00
Public-Non Institutions	3425611	1256844	36.70	1256187	657	99.94	0.05
Total (A)	11747999	8479168	72.18	8478511	657	99.99	0.00

RESOLUTION NO.2:SUBDIVISION OF EQUITY SHARES FROM FACE VALUE OF ₹ 10/- PER SHARE TO ₹ 2/- PER SHARE

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	7222324	7222324	99.98	7222324	0	100.00	0.00
Public	1100064	0	0.00	0	0	0.00	0.00
Institutional Holders							
Public-Non Institutions	3425611	1256844	36.70	1256187	657	99.94	0.05
Total (A)	11747999	8479168	72.18	8478511	657	99.99	0.00

RESOLUTION NO.3:ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	7222324	7222324	99.98	7222324	0	100.00	0.00
Public	1100064	0	0.00	0	0	0.00	0.00
Institutional Holders							
Public-Non Institutions	3425611	1255602	36.67	1254945	657	99.94	0.05
Total (A)	11747999	8477926	72.16	8477269	657	99.99	0.00

RESOLUTION NO. 4:REVISION IN REMUNERATION OF MANAGING DIRECTOR

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	7222324	4373550	60.55	4373550	0	100.00	0.00
Public	1100064	0	0.00	0	0	0.00	0.00
Institutional Holders							
Public-Non Institutions	3425611	1256845	36.70	1254931	1914	99.84	0.15
Total (A)	11747999	5630395	47.93	5628481	1914	99.96	0.03

RESOLUTION NO. 5: REVISION IN REMUNERATION OF WHOLE-TIME DIRECTOR

Promoter / Public	No of Shares held (1)	No of Votes Polled (2)	% of Votes polled on Outstanding shares (3)=[(2)/(1)]*100	No of Votes - in Favour (4)	No of Votes Against (5)	% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	% of Votes Against on Votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	7222324	4373548	60.55	4373548	0	100.00	0.00
Public	1100064	0	0.00	0	0	0.00	0.00
Institutional Holders							
Public-Non Institutional Holders	3425611	1256845	36.70	1254931	1914	99.85	0.15
Total (A)	11747999	5630393	47.93	5628479	1914	99.97	0.03

The Company obtained approval of Members via Postal Ballot for obtaining deposits from Members and Public.

IV. MEANS OF COMMUNICATION

We recognize communication as a key element of the overall Corporate Governance framework, and therefore emphasis is on prompt, continuous, efficient and relevant communication to all external constituencies. We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts and the society at large.

I. Quarterly/Half Yearly/Annual Results:

The quarterly/ half yearly/ annual financial results are normally published in Financial Express having nationwide circular and in Navshkati Times / Mumbai Lakshadeep have regional circular. The results are also submitted to Stock Exchange in accordance with the Listing Regulations.

II. Website: The Company's website www.compaugeindia.com contains a separate section 'Investor Relations' for use of investors. The quarterly, half yearly and annual financial results, press releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. The details of unclaimed dividends are also available in the Investor Relations section, to help the Shareholders to claim their dividend. In addition, various downloadable forms required to be executed by the shareholders have been also provided on the website.

III. Communication to Shareholders on email: As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, etc. were sent to the Shareholders at their email address, as registered with their Depository Participants/ Registrar and Transfer Agents (RTA). This helped in prompt delivery of document, reduce paper, consumption, save trees and avoid loss of documents in transit.

IV. NEAPS (NSE Electronic Application Processing system), BSE Corporate Compliance & Listing Centre Portal: NSE and BSE have developed web based applications for corporates. All compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS and BSE Listing Centre.

V. Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.

V. GENERAL SHAREHOLDERS INFORMATION**1. ANNUAL GENERAL MEETING****Date and Time:**

23rd September 2017 at 10:00 A.M.

Venue:

Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, next to Girnar Tower, Mumbai – 400034

2. Board Meeting for considering of Audited Accounts: 2nd May 2017

3. Book Closure Date:

16th September 2017 to 23rd September 2017 (both days inclusive)

4. Dividend Payment Date:

On or after 24th September 2017

5. Financial year :

1st April 2016 to 31st March 2017

6. Last date of receipts of proxy forms :

21st September 2017 upto 10:00 A.M.

7. Registered Office: Compauge Infocom Ltd.

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

9. Listed on Stock Exchange

At present, the Equity Shares of the Company are listed at:

- **BSE Limited**
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
- **National Stock Exchange of India Ltd. (NSE)**
Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

10 Stock Exchanges Code:

ISIN No.:	INE070C01037
BSE Security Code:	532456
BSE Security Id:	COMPUAGE
NSE Symbol:	COMPINFO

Stock Price Data:

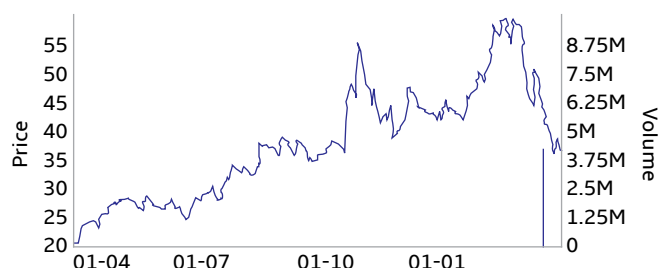
The monthly movement of equity share prices during the year at BSE and National Stock Exchange of India Limited (NSE) is summarized below:

Months	Monthly Share Price movement during the financial year ended 31 st March 2017 at BSE		Monthly Share Price movement during the financial year ended 31 st March 2017 at NSE	
	High	Low	High	Low
April, 2016	139.00	101.10	-	-
May, 2016	150.00	130.50	-	-
June, 2016	149.90	112.30	-	-
July, 2016	175.00	122.00	178.00	132.20
August, 2016	195.00	157.95	202.00	154.10
September, 2016	207.50	152.50	215.00	160.00
October, 2016	284.00	172.40	284.05	173.00
November, 2016	285.00	185.85	287.50	183.50
December, 2016	257.00	190.00	259.00	190.70
January, 2017	258.75	207.00	260	204.50
February, 2017	305.95	51.85	309.90	52.05
March, 2017	55.45	34.34	55.05	32.80

Source: BSE Website and NSE Website

11. Stock Performance:

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



12. Corporate Identity Number (CIN):

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

13. Payment of Depository Fees:

Annual Custody/Issuer fees for the year 2017-18 have been paid by the Company to NSDL and CDSL.

14. Registrar & Transfer Agents (RTA):

Name & Address : Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083.

Phone No. : 022 49186000, 022 49186270

Fax No. : 022 49186060

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

15. Share Transfer System and Registrar and Transfer Agent:

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Transfer Agents. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. A summary of all the transfers/

transmissions, etc. so approved by officers of the Company is placed at every Committee Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

16.(i) Distribution of Shareholding as on 31st March 2017:

No. of Equity Shares held Nos.	Shareholders		Shares	
	Nos.	%	Nos.	%
1-1000	2368	63.18	529620	0.90
1,001-2,000	582	15.53	451114	0.77
2,001-4,000	363	9.69	560588	0.95
4,001-6,000	105	2.80	272853	0.46
6,001-8,000	104	2.77	366313	0.62
8,001-10,000	32	0.85	149640	0.25
10,001-20,000	84	2.24	620050	1.06
20,001 – Above	110	2.93	55789817	94.98
Total	3748	100.00	58739995	100.00

(ii) Category of Shareholdings as on 31st March 2017:

Category	No. of shares	% of Shareholding
Promoters & Promoters Group	36111620	61.48
Clearing Member	245614	0.42
Foreign Company	437800	0.75
Foreign Portfolio Investor (Corporate)	5500000	9.36
Hindu Undivided Family	147851	0.25
Market Maker	320	0.00
Nationalised Banks	320	0.00
Non Resident (Non Repatriable)	30666	0.05
Non Resident Indians	5511563	9.38
Other Bodies Corporate	4271767	7.27
Public	6276979	10.69
Others	205495	0.35
Total	58739995	100.00

17. Financial Release Dates:

Quarter	Release Date (Tentative and subject to change)
1 st Quarter ending 30 th June	Mid of August 2017
2 nd Quarter ending 30 th September	Mid of November 2017
3 rd Quarter ending 31 st December	Mid of February 2018
4 th Quarter ending 31 st March	Mid of May 2018

18. Dematerialization of shares and liquidity and Lock-in of Shares:

(a) Dematerialization Position as on 31st March 2017:

Total No. of fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
58739995	57635645	98.12	1104350	1.88

The shares of the Company are traded in dematerialized form and are available for trading on both depositories in India i.e. NSDL & CDSL.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE070C01037**.

(b) **Details of locked-in shares:** There are no locked-in shares at present.

19. Outstanding GDRs/ADRs:

The Company has not issued any GDRs/ADRs, therefore question of outstanding GDRs/ADRs, etc. as at the end of 31st March 2017, does not arise.

20. Address for Correspondence:

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

The Company Secretary

Compuage Infocom Limited

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

Tel. No.: 91-22-67114444,

Fax: 022-67114445

Email: investors.relations@compuageindia.com

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

(i) Registrar & Share Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park, L.B.S. Marg,

Vikhroli West,

Mumbai 400 083.

Tel: 022 49186000, 022 49186270 ;

Fax: 022 49186060 ;

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

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

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

21. Dates for transfer of Unclaimed Dividend to IEPF Account:

The following dividends which remain unpaid and unclaimed for a period of seven years will be due for transfer to the Investor Education and Protection Fund (IEPF or Fund) of the Central Government:

Dividend	Date of declaration of Dividend	Due date for transfer to IEPF
2009-10(Final)	14.08.2010	13.09.2017
2010-11(Final)	29.07.2011	26.09.2018
2011-12(Interim)	11.11.2011	01.09.2018
2011-12(Final)	30.08.2012	28.10.2019
2013-14(Final)	23.08.2014	21.10.2021
2014-15(Final)	25.09.2015	23.11.2022
2015-16(Final)	24.09.2016	29.11.2023

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

Ethics is at the core of any business. Your Company in staying true ethically and connected to its values of Strength, Performance and Passion has established a Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, pursuant to the Companies Act, 2013 and the Listing Regulations. Accordingly, this Whistleblower Policy ("the Policy") has been formulated for Directors and Employees of the Company to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. The policy is also posted on the website of the Company. The Audit Committee has ensured that neither complaints have been lodged against vigil mechanism nor any personnel have been denied access to the Audit Committee.

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

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

DISCLOSURES:

- a) Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- b) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by

the Board is uploaded on the Company's website at www.compuageindia.com

- c) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- e) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the year under review. The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- d) During the year ended 31st March 2017, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required by under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website.
- e) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.
- f) The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations. In respect of compliance with the non-mandatory requirements, the internal auditor reports directly to the Audit Committee as well as Board.
- g) Compliance Certificate as required under as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 obtained from Practicing Chartered Accountant, certifying the Compliance by the Company with the provisions of Corporate Governance of the Listing Regulations is given as an Annexure to this Report.

CMD & CFO COMPLIANCE CERTIFICATE

To,

The Board of Directors

Compuage Infocom Limited

D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth,
Steel Compound, Western Express Highway, Goregaon (E),
Mumbai-400063.

- A. We have reviewed audited Financial Statements and the Cash Flow Statement for the year ended 31st March 2017 and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the period which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the Auditors and the Audit Committee that:
1. There were no significant changes in internal control over financial reporting during the year;
 2. There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. There were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-

Atul Mehta

Chairman & Managing Director

Sd/-

Sunil Mehta

Chief Financial Officer

Mumbai, 2nd May 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Compuage Infocom Limited

We have examined the compliance of conditions of Corporate Governance by Compuage Infocom Limited, ('the Company'), for the year ended on 31st March 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We, further, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M/s. B. V. Dalal & Co.

Chartered Accountants

Firm Registration No.: 114214W

Manori Shah

Partner

Membership No.:104640

Mumbai, 14th August 2017

DECLARATION REGARDING CODE OF CONDUCT

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

Sd/-

Atul H. Mehta

Chairman & Managing Director

Mumbai, 14th August 2017

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW:

Our journey began 30 years ago with a vision to build a distribution highway of IT and Mobility products and services that cater to the needs of end users. Over the years, we have tied up with various renowned international brands, with one of the most significant milestones being the receipt of exclusive distribution rights of Apple Accessories in the Northern and Eastern regions of India.

Today, your Company is a leading IT products distributor, with its head office based in Mumbai and 41 branches, including one in Singapore. In addition, we have 1 central warehouse, 3 redistribution hubs, 53 service centers, a team of about 700+ professionals and presence in 800+ cities and towns through 10,000+ resellers. We function on a B2B model and have recently launched a marketplace model, which enables clients to buy our products through our website.

INDUSTRY OUTLOOK:

In today's world, businesses operate in a complex and ever changing environment. This environment is influenced by many macro-economic factors, rapid technology developments, dynamic stakeholder requirements and various context driven environmental and social conditions.

Software and computing technology are transforming businesses in every industry around the world, in a very profound and fundamental way. Traditional business models are being disrupted in every industry with digital and software-based business models.

Technology is not only fueling major business transformations across industries, it's also changing how technology enterprises sell their products and services, operate and plan for future growth. E-commerce today is at a point of inflection that has many parallels to previous technology shifts that revolutionized web-based apps and services.

Spending on B2B e-commerce platform technologies, systems and services continue at a pace over 2X that in the B2C e-commerce market. By 2019, the B2B e-commerce market is estimated to be worth \$1.1 trillion compared to the B2C market, which is expected to reach \$480 billion. Rapidly changing distribution channel dynamics are redefining wholesaler's business models across a broad spectrum of product and service areas. Like manufacturers, wholesalers need to move beyond competing on price and availability and deliver excellent omni-channel customer experiences. These market factors and more are driving B2B e-commerce platforms to double-digit growth through 2020.

In the next 2-3 years, the dynamics of e-commerce is expected to pan out as detailed below:

- The current number of shoppers in India will double to 70 million and their spending will be more than quadruple to US \$15.5 billion.
- Tier 2 cities' e-commerce adoption is growing far faster than that of Tier 1 cities but some states lag behind due to infrastructure constraints.
- Online retail will witness a big boom.
- Third party e-wallets will become a significant alternative to cash-on-delivery in the coming years.
- Only 30 percent of Indians with an Internet connection shop online, this number is set to increase.
- 88 percent of the growth in e-commerce in India will come from 200 million Indians, especially young people, coming online in the next three years.

OPPORTUNITIES AND THREATS:

Technology is driving more change in the business world than ever before; with that change comes more opportunities for growth – and more threats. Going forward, the industry is expected to show positive growth across all segments on the back of a healthy economic outlook, finance penetration and investment. We believe our strengths give us the competitive advantage to position ourselves as a leading global distributor company. We have long-standing relationships with large corporations and organizations. We also have a strong employee relationships and engagement and retention through a trusted partnership with our stakeholders.

Today, work transformations are driven by globalization and technological revolutions, particularly the digital revolution – that is, the shift from mechanical to digital technology. Globalization has generated gains for some and losses for others. The digital revolution has created new opportunities, but has also given rise to new challenges, such as irregular contracts and short-term work, which are asymmetrically distributed between highly skilled and unskilled workers. The economy is transforming the way people access goods and services by matching people who need items with those willing to provide them.

Trends towards e-commerce in India are developing rapidly day by day. The internet user base in India might still be merely 400 million, which is much less than in other developed countries, but it's surely expanding day by day.

The Indian internet population is projected to be the second largest in the coming years. During the last three years, there has been a rapid change in the e-commerce scenario in India. More users have been added during this period. The growth of internet users is increasing very rapidly in India and is expected to continue growing at a fast pace due to the following factors:

- **Social Media:**

Majority of online buying decisions are made on Social Media. Social network sites like Facebook, LinkedIn, Twitter, Google+, Pinterest, etc. have become a medium for easy log-in and purchase. Moreover, the clients can stay updated via the posts published on these media sites. Further, the advertising and promotions on these social sites has increased the chances of success of generating transactions manifold.

- **App-only Approach:**

Statistics suggest the future of internet lies in mobiles. Experts say more than 580 million people in India will use the Internet by 2018, and 70-80% of them will access the Web on mobile phones. This will cause all major players to switch to app-only models. About two-thirds of Flipkart's online traffic comes from users in small cities and towns. Flipkart's app-only approach assumes larger significance in these places where most people don't own desktop computers and have limited access to broadband.

- **Google's Buy Now Button:**

Google is reportedly working on its own "Buy Now" style button that would allow e-shoppers to search for products on Google and purchase them with a single click, right through Google's own search results page. The button will be displayed near sponsored search results beneath a "Shop on Google" heading at the top of the page. When users click on Google's "Buy Now" button, they will be re-directed to another Google page that will allow them to choose specific item details, such as color and size, after which they can select a shipping route. Google would then pass on the order information, including the customer's name and shipping address, to the retailer.

With the gradual invasion of e-commerce and its unique charm, a whole new set of terms, such as virtual enterprises, virtual banks, network marketing, online shopping, payment and advertising, etc. has now become familiar to most people. This reflects the huge impact that e-commerce has on the economy and society. For instance, B2B is a rapidly growing business model as it leads to lower costs and improves economic efficiency, while fueling the growth of employment. India has witnessed many e-commerce success stories, particularly in e-retail and the consumer electronics segments. E-commerce creates new opportunities. Ease of Internet access, safe and secure payment modes, coupled with aggressive marketing by

e-commerce giants has revolutionized this segment. Rapid development in mobile technology has given way to mobile commerce with many e-commerce companies shifting to App-only models. Hence, this will pave the way for the growth of IT distribution companies like ours to grab the upcoming opportunities in a planned and focused manner, with sustainable strategies.

CHALLENGES:

In spite of the opportunities presented by the current scenario, it poses certain challenges as well:

- **E-Infrastructural Issues:**

Internet is the backbone of e-commerce. Unfortunately, in India, internet penetration is still low at 0.5 per cent of the population, penetration of personal computer (PC) stands at merely 3.5 per thousand of the population and penetration of telephone is only 2.1 per cent of population. Accordingly, e-commerce is still not easily accessible to a large part of the population.

- **Branding & Marketing:**

Branding and marketing are a necessary part of e-commerce and form a large part of the cost of overheads involved. This cost is significant and can be reduced on a per customer basis, if the volumes increase sufficiently. Experts say that the average figure for this metric in the current e-commerce ecosystem is between INR 500 – 1000 per customer. Such rates are not sustainable for even medium-sized companies, let alone early stage ones.

- **Declining Margins:**

With the introduction of a large number of players in the already competitive e-commerce market, the customer is pampered with offerings of huge discounts, deal sweeteners, taking returns, etc. This results in lower margins.

Logistics failure in any area can mean detrimental damage to a startup's future and can hurt the brand overall. Add to this, the need for a guaranteed return policy. Getting this right is a challenge.

- **Tax-related Issues:**

The tax rate system in the Indian market is another factor that impedes the growth of e-commerce in India, in comparison to other developed countries like USA and UK. In those countries, tax rates are uniform for all sectors, whereas the tax structure in India varies from sector to sector. This factor creates accounting problems for Indian online business companies.

- **Touch and Feel:**

Indian customers are still more comfortable physically buying products. Companies dealing in products like apparel, handicrafts and jewelry face challenges selling

their products online as buyers prefer to physically examine such goods before purchasing them.

RISK MANAGEMENT FRAMEWORK AND MITIGATION:

The risk landscape in the current business environment is changing dynamically with developments in the dimensions of cyber security, information security and business continuity, data privacy and large deal executions figuring prominently on the risk charts of most organizations. To effectively mitigate these risks, we have deployed a risk management framework, which helps proactively identify, prioritize and mitigate risks. The framework is based on principles laid out in the four globally recognized standards.

Major risk and initiatives for mitigation of these risks:

- Information security and cyber security breaches that could result in systemic failures, losses, disclosures of confidential information:

Strong counter measures to preempt these risks have been implemented and programs to continuously monitor the effectiveness of the controls are in place. There is also a focus on sustaining controls and the continuous improvement of solutions.

- Regulatory compliances covering various federal, state, local and foreign laws relating to various aspects of the business operations are complex and non-compliances can result in substantial fines, sanctions, etc.:

A program on statutory compliance is in place with the objective of tracking all applicable regulations and obligations arising from the same and corresponding action required to ensure compliance with necessary work flows are enabled.

- Functional and operational risks arising from various operational processes:

Appropriate risk and control matrix have been designed for all critical business processes and both the design and effectiveness are tested under the Internal Financial Control Programs.

- A slowdown in economic growth in India could cause our business to suffer:

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

Government Policies and Regulation:

The role of the Indian Central and State governments in the Indian economy has remained significant over the years. Changes in government policies and regulations that adversely impact the Company may have a material impact on the profitability of the Company.

- Risks due to the Company's dependence on the Information Technology industry and any radical change or downturn may have an impact on our business:

Our revenue is predominantly derived from the sale of IT hardware products as well as telecom products. The industry is highly fragmented and competitive in nature. In case of a downturn in this industry, or if the demand does not keep pace with the supply build-up in the industry, our business operations may be adversely affected. Further, if we are unable to maintain an upgraded supply in line with new technological developments in our industry, it may adversely affect our sales revenue and impact our business.

Interest Rate Fluctuations Risk:

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

INTERNAL CONTROL SYSTEMS:

Your Company has effective internal control and risk-mitigation systems, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and the complexities of its operations. The internal and operational audit is entrusted with a reputed firm of Chartered Accountants. The main thrust of any internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

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

- Compuage has designed systems and processes to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorization and ensuring compliance of corporate policies.
- Compuage has adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.
- Compuage also undergoes periodic audits for aspects such as quality management, service management, information security, etc.
- Compuage's internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with laws, regulations and policies, plans and statutory requirements.
- Compuage has an exhaustive budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.
- Compuage's Audit Committee of the Board reviews the findings and recommendations of the internal auditor.

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

FINANCIAL PERFORMANCE:

Discussion on Financial Performance have been covered more specifically in the Board's Report.

DISCLAIMER:

Certain statements made in the Management Discussion and Analysis Report relating to the Company's future constitute as 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

FOR COMPUAGE INFOCOM LIMITED

Sd/-

Atul H. Mehta

Chairman & Managing Director

Mumbai, 14th August 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,
The Members,
Compugage Infocom Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company during the audit period covering the financial year ended on 31st March 2017 has prima facie complied with the statutory provisions listed hereunder.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Compugage Infocom Limited ("the Company") for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 & the rules & regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March 2017:

- (a) The Securities & Exchange Board of India (Issue & Listing of Debt securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (f) The Securities And Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009;

- (vi) The Company is engaged in composite range of activities like Information Technology distribution products and services. In our opinion, the Company being operating in the aforesaid diversified activities, various laws/ regulations are applicable to it. In the absence of any identifiable specific major law/ regulation under which the sector and the Company operates we are not in a position to identify and report the same in our report.

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

- (a) Industrial Disputes Act, 1947
- (b) The Payment of Wages Act, 1936
- (c) The Minimum Wages Act, 1948
- (d) Employees State Insurance Act, 1948
- (e) The Payment Of Bonus Act, 1965
- (f) The Payment of Gratuity Act, 1972

(vii) I have also examined compliance with the applicable clauses of the following:

- (a) The Listing Agreement & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered into by the Company with the BSE Limited and NSE Limited.
- (b) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India - Prima facie the Company has complied with the same.

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I further report that as per the information provided majority decision is carried through while the dissenting members' views are captured & recorded as part of the minutes.

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

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

I further report that during the audit period the Company has no specific events like Public / Right / Preferential issue of shares / debentures / sweat equity, etc.

However, during the audit period the Company has sub-divided its shares from existing Equity Shares of ₹ 10/- each fully paid up into five Equity Shares of ₹ 2/- each through the Postal Ballot dated 23rd January 2017, the record date for which was fixed at 17th February 2017 and pursuant to the subdivision there was an alteration in the Capital Clause V of Memorandum of Association.

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

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

Virendra Bhatt

ACS No – 1157

COP No – 124

Mumbai, 1st June 2017

FORM NO. AOC -2

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

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

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

FOR **COMPUAGE INFOCOM LIMITED**,

Sd/-

Atul H. Mehta

Chairman & Managing Director

Mumbai, 14th August 2017

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Compuge Infocom Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of Compuge Infocom Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

REPORT ON LEGAL AND OTHER REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the Directors, as on 31st March 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director, in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in **Annexure B**; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) the Company has disclosed the impact on pending litigations on its financial position

in its financial statements – Refer Note 2 (y) to the financial statements;

- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Manori Shah
Partner
Membership No. 104640

Mumbai, 2nd May 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure A referred to in our Independent Auditor's Report to the Members of the Company on the Standalone Financial Statements for the year ended 31st March 2017. We report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and nature of its business. As explained to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Act. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied

with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 148(1). Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (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, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were in arrears, as at 31st March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the amounts which have not been deposited as on 31st March 2017 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax & Entry Tax Acts of respective states	Sales Tax and Entry Tax	56.81	2007-2010	Tribunal
		0.78	2008-2009	A.C. Appeal
		0.44	2009-2010	A.C. Appeal
		14.38	2013-2014	A.C. Appeal
		32.97	2008-09 & 2009-10	Commissioner
		10.55	2011-2012	Commissioner
		18.94	2007-2013	D.C. Appeal
		4.82	2009-2010	D.C. Appeal
		29.23	2010-2011	D.C. Appeal
		26.67	2011-2012	D.C. Appeal
		8.25	2012-2013	D.C. Appeal

Name of the statute	Nature of dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	15.29	2013-2014	D.C. Appeal
		32.65	2014-2015	D.C. Appeal
		1.88	2015-2016	D.C. Appeal
		41.90	2015-2016	J.C. Appeal
		0.59	2009-10	CIT (Appeals)
		2.41	2010-11	CIT (Appeals)
		4.12	2012-13	CIT (Appeals)
The Customs Act, 1962	Custom Duty	213.27	2008-2015	Departmental Authorities / CESTAT

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. There are no loans or borrowings from the Government. There are no debenture holders.

(ix) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offering or further public offer during the year.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the financial

statements etc., as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 42 of the Act with regard to preferential allotment of shares during the year under review. To the best of our knowledge and belief and according to the information and explanations given to us, the amount raised by the Company was, prima facie, has been used by the Company during the year for the purpose for which the funds were raised.

(xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

Manori Shah
Partner
Membership No. 104640

Mumbai, 2nd May 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Compugate Infocom Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Manori Shah
Partner
Membership No. 104640

Mumbai, 2nd May 2017

Balance Sheet

as at 31st March 2017

		₹ in Lakh	
Particulars	Note No.	31 st March 2017	31 st March 2016
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	1,174.80	1,174.80
(b) Reserves and Surplus	4	10,328.76	8,844.11
2. Non-Current Liabilities			
(a) Long Term Borrowings	5	1,779.59	-
(b) Deferred Tax Liabilities (Net)	6	268.32	244.78
3. Current Liabilities			
(a) Short Term Borrowings	7	30,261.37	27,859.60
(b) Trade Payables	8	46,511.68	26,217.34
(c) Other Current Liabilities	9	3,201.99	2,809.55
(d) Short Term Provisions	10	313.81	376.87
Total Equity and Liabilities		93,840.32	67,527.05
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,350.23	3,368.00
(b) Non-Current Investments	12	99.48	100.99
(c) Other Non-Current Assets	13	52.78	52.20
2. Current Assets			
(a) Current Investments	14	251.77	251.53
(b) Inventories	15	33,488.60	25,430.42
(c) Trade receivables	16	43,692.41	26,537.10
(d) Cash and Bank Balances	17	10,135.72	8,831.45
(e) Short-term loans and advances	18	2,629.84	2,733.23
(f) Other Current Assets	19	139.49	222.13
Total Assets		93,840.32	67,527.05
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

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

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors

of Compugage Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Statement of Profit and Loss

for the year ended on 31st March 2017

		₹ in Lakh	
Particulars	Note No.	31 st March 2017	31 st March 2016
I Revenue from operations	20	355,132.98	267,872.85
II Other Income	21	1,914.93	1,128.23
III Total Revenue (I+II)		357,047.91	269,001.08
IV Expenses:			
Purchase of Stock-in-Trade	22	350,859.06	263,022.31
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	23	(8,058.18)	(5,407.85)
Employee Benefits Expense	24	3,284.76	2,414.89
Other Expenses	25	3,357.15	2,969.09
Total Expenses (IV)		349,442.79	262,998.44
V Earnings before interest,tax,depreciation and amortisation (EBITDA) (III - IV)		7,605.12	6,002.64
Finance Costs	26	4,490.58	3,425.91
Depreciation	27	340.61	449.09
Profit Before Tax		2,773.93	2,127.64
VI Tax expense:			
(1) Current tax		929.58	740.00
(2) Deferred tax		23.54	(23.57)
(3) Earlier years		53.37	9.13
VII Profit/(Loss) for the period from continuing operations (V-VI)		1,767.44	1,402.08
VIII Earning per Equity Share:			
(1) Basic		3.01	11.93
(2) Diluted		3.01	11.93

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors

of Compugae Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Cash Flow Statement

for the year ended as at 31st March 2017

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	2,773.93	2,127.64
Adjustment For:		
Depreciation	340.61	449.09
Interest Paid	4,490.58	3,425.91
Interest Received	(1,431.18)	(912.82)
Dividend Income	(12.74)	(172.89)
Capital Gains	(0.04)	-
Operating Profit Before Working Capital Changes	6,161.16	4,916.93
Increase /(Decrease) in Trade Payables	20,294.34	4,192.35
Increase /(Decrease) in Other Current Liabilities	392.44	736.67
Increase /(Decrease) in Short Term Provisions	(63.06)	196.17
Decrease/(Increase) in Inventories	(8,058.18)	(5,407.85)
Decrease/(Increase) in Trade Receivables	(17,155.31)	(2,764.88)
Decrease/(Increase) in Short Term Loans & Advances	103.39	(118.86)
Decrease/(Increase) in Other Current Assets	82.64	(82.16)
Total	(4,403.74)	(3,248.56)
Income Tax	(982.95)	(749.13)
Net Cash Inflow/(Outflow) From Operating Activities.....	774.47	919.24
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(322.84)	(118.16)
Sale/(Purchase) of Current Investments	(0.24)	(251.53)
Sale/(Purchase) of Non-Current Investments	1.51	(3.87)
Decrease/(Increase) in Fixed Deposits	(710.89)	(3,033.96)
Interest Received	1,431.18	912.82
Dividend Income	12.74	172.89
Capital Gains	0.04	-
Net Cash Inflow/(Outflow) From Investing Activities.....	411.50	(2,321.81)

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,779.59	-
Proceeds from Short Term Borrowings	2,401.77	6,156.33
Interest Paid	(4,490.58)	(3,425.91)
Dividend & Dividend Tax Paid	(282.79)	(405.89)
Issue of shares (Including Premium)	-	999.90
Net Cash Inflow/(Outflow) From Financing Activities.....	(592.01)	3,324.43
Net Increase/(Decrease) in Cash And Cash Equivalents.....	593.96	1,921.86
Cash and Cash Equivalents as at beginning of the year	3,036.55	1,114.69
Cash and Cash Equivalents as at the end of the year	3,630.51	3,036.55
	593.96	1,921.86

We have examined the above Cash Flow Statement of Compuage Infocom Ltd. for the year ended 31st March 2017

As per report of even date attached

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors

of Compuage Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Summary of significant accounting policies to Financial Statements

for the year ended 31st March 2017

NOTE 1: CORPORATE INFORMATION

Compuage Infocom Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Ltd and National Stock Exchange of India Ltd.

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

NOTE 2: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

1. Significant Accounting Policies:

a. Basis of Preparation:

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

b. Use of Estimates:

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

c. Tangible Fixed Assets:

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalization criteria are met and directly attributable

cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

d. Depreciation on tangible fixed assets:

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

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

e. Lease:

Where the company is Lessee :

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

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

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

f. Borrowing costs:

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

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

g. Revenue Recognition:

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

Sale of Goods:

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

Income from Service:

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

Interest:

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

h. Foreign Currency Translation:

Foreign currency transactions and balances.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions.

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

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

i. Investments:

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

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

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

j. Inventories:

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

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

k. Retirement and other employee benefits:

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

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

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

l. Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The areas of CSR activities includes providing safe drinking water in the locality, promoting education, health care, promoting eco-friendly products, and providing clothes, shoes and other necessities to the needy

people. The funds were spent on these activities which are specified in Schedule VII of the Companies Act, 2013.

The Company has incurred ₹ 48.09 Lakh towards Corporate Social Responsibility activities. It is included under the head miscellaneous expenses in the Statement of Profit and Loss. Further, no amount has been spent on construction/acquisition of assets of the Company.

The amount required to be spent under Section 135 of the Companies Act, 2013 for the Financial year 2016-17 is ₹ 37.11 Lakh, i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

m. Income Taxes:

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

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

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

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

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

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

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

n. Cash and cash equivalents:

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

o. Impairment:

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

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

- r. Valuation of Imports calculated on C.I.F. basis for One Year period ended 31st March 2017 is ₹ 38,332.23 Lakh (Previous year ₹ 21,700.01 Lakh).
- s. Expenditure in Foreign currency:
(₹ in Lakh) (Current period) (Previous Year)
- | | | |
|----------------|-------------|------------|
| Traveling | ₹ 110.75 | ₹ 13.88 |
| Mercantile | | |
| Trade Purchase | ₹ 14,631.43 | ₹ 9,435.74 |
- t. Earning in Foreign currency: (₹ in Lakh)
- | | | |
|------------|-------------|------------|
| Mercantile | | |
| Trade Sale | ₹ 14,777.74 | ₹ 9,521.26 |

u. **Related Party Information:**

- A. Directors & their relatives:
(Related to interest on loans given to the Company etc.)

Sr. No.	Name	Relationship
1.	Atul H. Mehta	Chairman and Managing Director
2.	Bhavesh H. Mehta	Whole time Director

- B. Other related parties: (Enterprises significantly influenced by Key Management Personnel).
- 1) Trillizo Holdings Limited
 - 2) Compuage Infocom (S) Pte. Ltd.

Transactions with related parties

₹ in Lakh		
Particulars	Current Year	Previous Year
Interest Paid to:		
Atul H. Mehta	37.61	9.13
Bhavesh H. Mehta	40.31	25.40
Remuneration Paid to:		
Atul H. Mehta (including arrears)	242.96	120.00
Bhavesh H. Mehta (including arrears)	237.83	120.00
Rent Paid to:		
Trillizo Holding Ltd.	15.00	15.00
Sales of Goods to:		
Compuage S. Pte. Ltd.	-	823.25
Corporate Guaranty Given to:		
Compuage S. Pte. Ltd.	-	331.85
Dividend Received from :		
Compuage S. Pte. Ltd.	-	163.97
Outstanding receivables:		
Trillizo Holdings Pvt. Ltd.	138.00	138.00
Outstanding payables:		
Atul H. Mehta	1569.46	1223.66
Bhavesh H. Mehta	1275.19	1103.39
Compuage S. Pte. Ltd.	74.46	94.16
Trillizo Holdings Ltd.	1.12	-

- v. **Segment reporting:**
The Company is in the business of distribution of Computer parts and peripherals, Software & Telecom Products having similar risks and rewards and therefore there is only one geographical and business segment.
- w. **Earnings per Share:**
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the MCA notification GSR 308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November 2016 to 30th December 2016.

The denomination wise SBNs and other notes as per the said notification is given below.

₹ in Lakh			
Particulars	Specified Bank Notes (₹)	Other Denomination Notes (₹)	Total Amount (₹)
Closing Cash in Hand as on 08.11.2016	57.72	0.75	58.47
(+) Permitted Receipts	-	165.35	165.35
(-) Permitted Payments	-	(26.07)	(26.07)
(-) Amounts Deposited in Bank	(57.72)	(132.61)	(190.33)
Closing Cash in Hand as on 30.12.2016	-	7.42	7.42

y. Measurement of EBITDA:

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

Z. Contingent Liabilities:

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

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Guarantees given by the banks on behalf of the Company	11,117.78	7206.51
Corporate Guarantee given on behalf of Subsidiary	NIL	331.85
Disputed demands in respect of VAT/Custom Duty		
(Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)	649.12	634.20

As per our report of even dated attached

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors

of Compugae Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Notes to Financial Statements

for the year ended 31st March 2017

NOTE 3. SHARE CAPITAL

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
AUTHORIZED		
96270000 Equity Shares of ₹ 2/- each (Previous year : 19254000 Equity shares of ₹ 10/- each)	1925.40	1,925.40
4665600 Preference Shares of ₹ 0.10 (Ten paise) each	4.67	4.67
3369344 Preference Shares of ₹ 10/- each	336.93	336.93
	2,267.00	2,267.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
58739995 Equity Shares of ₹ 2/- each fully paid (Previous year : 11747999 Equity shares of ₹ 10/- each fully paid) (Note : Value of Equity Shares is ₹ 11,74,79,990/-)	1,174.80	1,174.80
Total	1,174.80	1,174.80

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

	31 st March 2017		31 st March 2016	
	No.	Amount	No.	Amount
At the beginning of the period	117.48	1,174.80	66.55	665.50
Add : Bonus Shares issued	-	-	39.93	399.30
Add : Preferential Allotment	-	-	11.00	110.00
Add : Shares split from face value of ₹ 10/- to face value of ₹ 2/-	469.92	-	-	-
Outstanding at the end of the period	587.40	1,174.80	117.48	1,174.80

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- per share. Each holder of Equity Shares is entitled to one vote per share.

The Final Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2017, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹ 0.40 (31st March 2016 : ₹ 2.00)

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

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

Equity Shares of ₹ 2/- each fully paid up (Previous year : Equity Shares of ₹ 10/- each fully paid up)	31 st March 2017		31 st March 2016	
	No. of Shares in Lakh	% of holding	No. of Shares in Lakh	% of holding
BHAVESH HARKISHANDAS MEHTA	142.44	24.25%	28.49	24.25%
ATUL HARKISHANDAS MEHTA	142.44	24.25%	28.49	24.25%
AJAY HARKISHANDAS MEHTA	76.24	12.98%	15.25	12.98%
KITARA INDIA MICRO CAP GROWTH FUND	55.00	9.36%	11.00	9.36%

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

NOTE 4. RESERVES & SURPLUS

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Capital Reserve	134.84	134.84
2	Capital Redemption Reserve	129.72	129.72
3	Share Premium	2,109.85	2,109.85
4	General Reserve	35.38	35.38
5	Surplus/(Deficit) in the Statement of Profit & Loss		
	Balance as per last financial statements	6,434.32	5,837.43
	Add: Profit for the year	1,767.44	1,402.08
	Less: Appropriations:		
	Bonus Shares Issued	-	(399.30)
	Dividend for Financial year 2014-15	-	(101.86)
	Dividend Tax for Financial year 2014-15	-	(21.24)
	Proposed final equity dividend - ₹ 0.40 per share (31 st March 2016: ₹ 2.00)	(234.96)	(234.96)
	Tax on proposed final equity dividend	(47.83)	(47.83)
	Total (1+2+3+4+5)	7,918.97	6,434.32
		10,328.76	8,844.11

NOTE 5. LONG TERM BORROWINGS

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
	Term Loan		
	Indian rupee loan from bank (Secured)	1,750.00	-
	Other		
	Finance lease obligations	29.59	-
	Total	1,779.59	-

Indian rupee loan from bank carries interest @ 11.15% p.a. The loan is repayable in 20 equal quarterly installments commencing from November 2016. Interest is to be paid as and when debited, i.e on a monthly basis. Term loan is secured by hypothecation of office premises. Further the loans have been guaranteed by the Personal Guarantee of the Managing Director and by Whole Time Director of the Company.

NOTE 6. DEFERRED TAX LIABILITIES (NET)

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Difference in Book & Income Tax Depreciation Under IT Act 1961	775.30	740.34
2	Total Timing Difference	775.30	740.34
	Total	268.32	244.78

NOTE 7. SHORT TERM BORROWINGS

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Cash credit from bank (secured)-net of debit balances	16,906.02	16,708.85
2	Loans & Advances from Related Parties Repayable on Demand (Unsecured)	2,844.65	2,327.05
3	Loans & Advances from Others Repayable on Demand (Unsecured)	10,510.70	8,823.70
	Total	30,261.37	27,859.60

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

The cash credit is repayable on demand and carries interest @ 9.5% to 11% .

NOTE 8. TRADES PAYABLE

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Dues to Micro, Small & Medium Enterprises	-	-
2	Others - Net	46,511.68	26,217.34
	Total	46,511.68	26,217.34

NOTE 9. OTHER CURRENT LIABILITIES

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Current maturities of Long Term Debt	517.85	96.73
2	Amount due to Subsidiary Company	74.46	94.16
3	Others		
	TDS payable	313.67	1,266.69
	Unpaid Dividend	18.21	13.91
	Other payable-Unsecured	2,277.80	1,338.06
	Total	3,201.99	2,809.55

NOTE 10. SHORT TERM PROVISIONS

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Provision for Income Tax (Net of Advance Tax paid)	21.02	86.58
2	Provision for Gratuity	10.00	7.50
3	Proposed Equity Dividend	234.96	234.96
4	Provision for tax on proposed Equity Dividend	47.83	47.83
	Total	313.81	376.87

NOTE 11. TANGIBLE/INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation		Net Block	
	Value at the beginning	Addition during the year	Disposals during the year	Value at the beginning	Charged during the year	WDV as on 31.03.2017	WDV as on 31.03.2016
Tangible Assets							
Office Premises	2,341.98	-	-	159.56	39.68	2,142.74	2,182.42
Information Technology Equipments	1,460.28	134.53	-	1,272.37	99.52	222.92	187.91
Vehicles	84.38	60.24	-	52.05	11.55	81.02	32.33
Office Equipment	445.11	41.26	-	308.06	64.40	113.91	137.05
Furniture & Fixture	1,272.98	86.81	-	444.69	125.46	789.64	828.29
Total	5,604.73	322.84	-	2,236.73	340.61	3,350.23	3,368.00
Previous Year	5,486.57	118.16	-	1,787.64	449.09	3,368.00	3,698.93

₹ in Lakh

NOTE 12. NON CURRENT INVESTMENT

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Non-Trade Investments(Unquoted)		
Investment in Equity Instrument		
115416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹ 30 each	34.62	34.62
Trade Investments (Unquoted)		
Investments in Subsidiaries		
1,50,000 Ordinary Shares of Compugae Infocom Pte.Ltd-Singapore	64.86	66.37
Total	99.48	100.99

NOTE 13. OTHER NON CURRENT ASSETS

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Non-Current Bank Balances (Secured)	52.78	52.20
Total	52.78	52.20

NOTE 14. CURRENT INVESTMENTS

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
2,50,625.851 Units of Birla Sun Life Cash Manager-Weekly Dividend Mutual Fund (Previous year 2,50,408.189 Units of Birla Sun Life Cash Manager-Weekly Dividend Mutual Fund)	251.77	251.53
Total	251.77	251.53

NOTE 15. INVENTORIES

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Stock-in-Trade (Valued at lower of cost and net realisable value) (As taken, valued and certified by a Director)	33,488.60	25,430.42
Total	33,488.60	25,430.42

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Details of Stock-in-trade		
Computer Components	28,701.36	22,252.46
Computer Softwares	1,992.62	1,858.57
Telecom Products	2,794.70	1,319.40
Total	33,488.60	25,430.42

NOTE 16. TRADE RECEIVABLES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Unsecured considered good unless otherwise stated		
Outstanding for more than six months from the date they are due for payment		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good (Net)	645.68	580.43
Others		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good (Net)	43,046.73	25,956.67
Total	43,692.41	26,537.10

NOTE 17. CASH & BANK BALANCES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Cash and Cash Equivalents		
Balances with banks:		
On Current Accounts	1,702.95	1,528.77
In Unpaid Dividend Account	18.21	13.91
Cash on Hand	5.31	13.87
Cheque on Hand	1,665.00	580.00
Deposits with Original maturity less than 3 months	239.04	900.00
Sub Total(1)	3,630.51	3,036.55
Other Bank Balances		
Deposits with original maturity for more than 12 months	480.46	350.18
Deposits with original maturity for more than 3 months but less than 12 months	6,077.53	5,496.92
Sub Total(2)	6,557.99	5,847.10
Amount disclosed under Non-Current Assets	(52.78)	(52.20)
Total [1+2]	10,135.72	8,831.45

NOTE 18. SHORT TERMS LOANS AND ADVANCES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Advances recoverable in cash or kind		
Loans and advances to others (Unsecured considered good)	1,281.90	1,155.29
Others		
Loans and Advance to Employees	36.85	89.24
Unjust Enrichment	86.15	86.15
SAD /VAT/Service Tax Receivable	1,224.94	1,402.55
Total	2,629.84	2,733.23

NOTE 19. OTHER CURRENT ASSETS

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Accruals		
Interest accrued on deposits	139.49	222.13
Total	139.49	222.13

NOTE 20. REVENUE FROM OPERATIONS

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Sales of products		
Traded goods	354,471.68	267,203.11
Sale of services	661.30	669.74
Total	355,132.98	267,872.85

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Details of Product Sold		
Traded goods sold		
Computer Components	271,131.02	197,535.10
Computer Softwares	27,679.11	29,957.51
Telecom Products	55,661.55	39,710.50
Total	354,471.68	267,203.11
Details of Service rendered		
(i) Product Support Services	661.30	669.74
Total	661.30	669.74

NOTE 21. OTHER INCOME

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Interest income on		
Bank deposits	488.82	391.80
Others	942.36	521.02
Interest on IT Refund	-	42.52
Dividend Income	12.74	172.89
Capital Gains	0.04	-
Forex Exchange Gain/Loss	466.52	-
Other Income	4.45	-
Total	1,914.93	1,128.23

NOTE 22. DETAILS OF PURCHASE OF TRADED GOODS/SERVICES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Computer Components	268,913.03	193,841.93
Computer Softwares	26,312.94	30,884.73
Telecom Products	55,633.09	38,295.66
Total	350,859.06	263,022.31

NOTE 23. (INCREASE)/DECREASE IN INVENTORIES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Inventories at the end of the year		
Traded goods	33,488.60	25,430.42
Inventories at the beginning of the year		
Traded goods	25,430.42	20,022.57
Total	(8,058.18)	(5,407.85)

NOTE 24. EMPLOYEE BENEFITS EXPENSE

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Salaries & Bonus	3,012.90	2,233.23
Contribution to provident and other fund	73.56	50.69
Gratuity	24.61	7.48
Staff Welfare	173.69	123.49
Total	3,284.76	2,414.89

NOTE 25. OTHER EXPENSES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Rent and compensation	683.47	603.98
Power & Fuel	70.08	69.48
Insurance	285.96	121.54
Payment to Auditor- (Refer details below)	22.49	15.75
Rates & Taxes	81.57	52.44
Foreign Exchange Loss(Net)	-	547.23
Miscellaneous expenses	2,213.58	1,558.67
Total	3,357.15	2,969.09

Payment to Auditor

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Audit fees	13.99	9.25
Taxation matters	5.00	4.00
Other services	3.50	2.50
Total	22.49	15.75

NOTE 26. FINANCIAL COST

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Interest	4,490.58	3,425.91
Total	4,490.58	3,425.91

NOTE 27. DEPRECIATION & AMORTISED COST

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Depreciation on Tangible Assets	340.61	449.09
Total	340.61	449.09

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
**The Board of Directors of
Compuage Infocom Limited**

We have audited the accompanying Consolidated Financial Statements of Compuage Infocom Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2017, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement.

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

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

OPINION

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

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2017;
- b. in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as appears from our examination of those books;
- (c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of the written representations received from the Directors of the Holding Company as on 31st March 2017, and taken on record by the Board of Directors of the Holding Company, none of the Director of the Group Company incorporated in India is disqualified as on 31st March 2017 from being appointed as a Director, in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in Annexure A; and

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

- (i) the Consolidated Financial Statements disclose the impact on pending litigations on its financial position in its financial statements – Refer Note 2 (z) to the Consolidated Financial Statements;
- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Manori Shah
Partner
Membership No. 104640

Mumbai, 2nd May 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Compuage Infocom Limited ("the Holding Company").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Manori Shah
Partner
Membership No. 104640

Mumbai, 2nd May 2017

Consolidated Balance Sheet

as at 31st March 2017

		₹ in Lakh	
Particulars	Note No.	31 st March 2017	31 st March 2016
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	1,174.80	1,174.80
(b) Reserves and Surplus	4	10,388.88	8,911.27
2. Non-Current Liabilities			
(a) Long Term Borrowings	5	1,779.59	-
(b) Deferred Tax Liabilities (Net)	6	268.32	244.78
3. Current Liabilities			
(a) Short Term Borrowings	7	30,682.76	29,296.67
(b) Trade Payables	8	46,511.68	26,316.90
(c) Other Current Liabilities	9	3,142.16	2,720.88
(d) Short Term Provisions	10	313.81	390.87
Total Equity & Liabilities		94,262.00	69,056.17
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	3,351.46	3,372.98
(b) Non-Current Investments	12	34.62	34.62
(c) Other Non-Current Assets	13	52.78	52.20
2. Current Assets			
(a) Current Investments	14	251.77	251.53
(b) Inventories	15	33,488.60	25,430.42
(c) Trade Receivables	16	43,692.41	27,051.46
(d) Cash and Bank Balances	17	10,217.79	9,493.88
(e) Short-Term Loans and Advances	18	3,033.08	3,146.95
(f) Other Current Assets	19	139.49	222.13
Total Assets		94,262.00	69,056.17
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements.

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

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors

of Compugage Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended on 31st March 2017

		₹ in Lakh	
Particulars	Note No.	31 st March 2017	31 st March 2016
I Revenue from operations	20	355,132.98	310,729.79
II Other Income	21	1,914.99	970.44
III Total Revenue (I +II)		357,047.97	311,700.23
IV Expenses:			
Purchase of Stock-in-trade	22	350,859.06	304,437.95
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	23	(8,058.18)	(4,562.73)
Employee Benefits Expense	24	3,284.76	2,594.28
Other Expenses	25	3,358.33	3,123.96
Total Expenses (IV)		349,443.97	305,593.46
V Earnings before interest,tax,depreciation and amortisation (EBITDA) (III - IV)		7,604.00	6,106.77
Finance Costs	26	4,490.58	3,428.87
Depreciation	27	344.29	450.23
Profit Before Tax		2,769.13	2,227.67
VI Tax expense:			
(1) Current tax		929.58	751.54
(2) Deferred tax		23.54	(23.57)
(3) Earlier years		53.37	9.13
VII Profit/(Loss) for the period from continuing operations (V-VI)		1,762.64	1,490.57
VIII Earning per equity share:			
(1) Basic		3.00	12.69
(1) Diluted		3.00	12.69

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

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

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Consolidated Cash Flow Statement

for the year ended as at 31st March 2017

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary items	2,769.13	2,227.67
Adjustment for:		
Depreciation	344.29	450.23
Unrealised foreign exchange gain	(2.17)	(21.58)
Interest paid	4,490.58	3,428.87
Interest received	(1,431.18)	(914.23)
Capital Gains	(0.04)	0.00
Dividend Income	(12.74)	(8.92)
Operating Profit Before Working Capital Changes	6,157.87	5,162.04
Increase /(Decrease) in Trade payables	20,194.78	3,358.92
Increase /(Decrease) in Other Current Liabilities	421.28	813.63
Increase /(Decrease) in Short Term provisions	(77.06)	197.32
Decrease/(Increase) in Inventories	(8,058.18)	(4,562.73)
Decrease/(Increase) in Trade Receivables	(16,640.95)	(2,286.09)
Decrease/(Increase) in Short Term Loans & Advances	113.87	673.06
Decrease/(Increase) in Other Current Assets	82.64	(82.16)
Decrease/(Increase) in Long Term Loans & Advances	-	5.88
Total	(3,963.62)	(1,882.17)
Income Tax	(982.95)	(760.67)
Net Cash Inflow/(Outflow) from Operating Activities.....	1211.30	2,519.20
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(322.84)	(120.57)
Interest Received	1,431.18	914.23
Capital Gains	0.04	-
Dividend Income	12.74	8.92
Decrease/(Increase) in Fixed Deposits	(606.86)	(3,040.57)
Sale/(Purchase) of Current Investments	(0.24)	(251.53)
Net Cash Inflow/(Outflow) From Investing Activities.....	514.02	(2,489.52)

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
C. Cash Flows From Financing Activities		
Proceeds from Long term borrowings	1,779.59	-
Proceeds from Short term borrowings	1,386.09	5,199.63
Issue of shares(Including premium)	-	999.90
Interest paid	(4,490.58)	(3,428.87)
Dividend & Dividend tax paid	(282.79)	(405.89)
Net Cash Inflow/(Outflow) from Financing activities.....	(1,607.69)	2,364.77
Net Increase/(Decrease) in cash and cash Equivalents.....	117.63	2,394.45
Cash and cash Equivalents as at beginning of the year	3,594.95	1,200.50
Cash and cash Equivalents as at end of the year	3,712.58	3,594.95
	117.63	2,394.45

We have examined the above Cash Flow Statement of Compuage Infocom Ltd for the year ended 31st March 2017

As per report of even date attached

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and Behalf of the Board of Directors

of Compuage Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Summary of significant accounting policies to Financial Statements

for the year ended 31st March 2017

NOTE 1: CORPORATE INFORMATION

Compuage Infocom Limited (The Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Ltd and National Stock Exchange of India.

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

The group of Companies are engaged in trading in Computer parts, Peripherals, Software and Telecom products.

NOTE 2: NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

1. Significant Accounting Policies:

a. Basis of Preparation:

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21), on consolidated financial statements and AS-23 on Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2014. The consolidated financial statements comprise the financial statements of Compuage Infocom Limited (The Company) and its subsidiary. The Company and its subsidiary constitute the Compuage Group. Reference in these notes to the "Company" or Compuage shall mean to include Compuage Infocom Ltd. and its subsidiary consolidated in these financial statements unless otherwise stated. The details of the Subsidiary Company which has been included in consolidation and the Parent Company's holding is as under:

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

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

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

The excess of cost on Investment in the Subsidiary Company over the Company's portion of equity of the Subsidiary at the date of investment made is recognized in the financial statements as the goodwill. The excess of company's portion of the subsidiary over the cost of the investments there in is treated as Capital Reserve.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

c. Use of Estimates:

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

d. Tangible Fixed Assets:

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

Subsequent expenditures related to an item of fixed asset is added to its book value only if it increase the future

benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

e. Depreciation on tangible fixed assets:

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

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

In case of Compugate Infocom (S) Pte. Ltd., depreciation is calculated on the Straight Line Method so as to write off the cost of the plant and equipment over their estimated useful lives. The useful lives used for this purpose are -

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

f. Lease:

Where the Company is Lessee:

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

A leased asset is depreciated on straight line basis at the rates prescribed under part C of Schedule II of the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership

of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight line basis over the lease term.

g. Borrowing costs:

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

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

h. Revenue Recognition:

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

Sale of Goods:

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

Income from Service:

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

Interest:

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

i. Foreign Currency Translation:

Foreign currency transactions and balances.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. In certain cases foreign currency transactions are recorded at a fixed exchange rate. All exchange rate differences in respect of foreign currency transactions

are dealt with in Statement of Profit & Loss. All foreign currency assets and liabilities, if any as at the balance sheet date are restated at the closing rate or the forward contract rate wherever applicable.

j. Investments:

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

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

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

k. Inventories:

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

Saleable scrap is accounted for as and when sold.

l. Retirement and other employee benefits:

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

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

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

m. Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The areas of CSR activities includes providing safe drinking water in the locality, promoting education, health care, promoting eco friendly products, and providing clothes, shoes and other necessities to the needy people. The funds were spent on these activities which are specified in Schedule VII of the Companies Act, 2013.

The Company has incurred ₹ 48.09 Lakh towards Corporate Social Responsibility activities. It is included under the head miscellaneous expenses in the Statement of Profit and Loss. Further, no amount has been spent on construction/acquisition of an asset of the Company.

The amount required to be spent under section 135 of the Companies Act, 2013 for the Financial year 2016-17 is ₹ 37.11 Lakh, i.e. 2% of average net profits for last

three financial years, calculated as per section 198 of the Companies Act, 2013.

n. Income Taxes:

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-

off current tax assets against current liabilities and deferred tax assets and deferred taxes relate to the same taxable entity.

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

o. Cash and cash equivalents:

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

p. Impairment:

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

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

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

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

s. Valuation of Imports calculated on C.I.F. basis for one year period ended 31st March 2017 is ₹ 38,332.23 Lakh (Previous year ₹ 21,700.01 Lakh).

t. Expenditure in foreign currency:

(₹ in Lakh)	(Current Year)	(Previous Year)
-------------	----------------	-----------------

Traveling	₹ 110.75	₹ 13.88
-----------	----------	---------

Mercantile Trade Purchase	₹ 14,631.43	₹ 9,435.74
---------------------------	-------------	------------

u. Earning in foreign currency: (₹ in Lakh)

Mercantile Trade Sale	₹ 14,777.74	₹ 9,521.00
-----------------------	-------------	------------

v. Related Party Information:

A. Directors & their relatives:
(Related to interest on loans given to the Company etc.)

Sr. No.	Name	Relationship
1.	Atul H. Mehta	Chairman and Managing Director
2.	Bhavesh H. Mehta	Whole time Director

B. Other Related parties: (Enterprises significantly influenced by Key Management Personnel)

1) Trillizo Holdings Limited

Transactions with related parties:

Particulars	₹ in Lakh	
	Current Year	Previous Year
Interest Paid to:		
Atul H. Mehta	37.61	9.13
Bhavesh H. Mehta	40.31	25.40
Remuneration Paid to:		
Atul H. Mehta (including arrears)	242.96	120.00
Bhavesh H. Mehta (including arrears)	237.83	120.00
Rent Paid to:		
Trillizo Holding Ltd	15.00	15.00
Outstanding receivables:		
Trillizo Holdings P.L	138.00	138.00
Outstanding payables:		
Atul H.Mehta	1569.46	1223.66
Bhavesh H.Mehta	1275.19	1103.39
Trillizo Holdings Ltd.	1.12	-

w. Segment reporting:

The Company is in the business of distribution of computer parts, peripherals software & telecom products having similar risks and rewards and therefore there is only one geographical and business segment.

x. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity

shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

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

y. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the MCA notification GSR 308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November 2016 to 30th December 2016.

The denomination wise SBNs and other notes as per the said notification is given below.

Particulars	Specified Bank Notes (₹)	Other Denomination Notes (₹)	₹ in Lakh
			Total Amount (₹)
Closing Cash in hand as on 08.11.2016	57.72	0.75	58.47
(+) Permitted Receipts	-	165.35	165.35
(-) Permitted Payments	-	(26.07)	(26.07)
(-) Amounts Deposited in Bank	(57.72)	(132.61)	(190.33)
Closing Cash in Hand as on 30.12.2016	-	7.42	7.42

z. Measurement of EBITDA:

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

aa. Contingent Liabilities:

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

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
Guarantees given by the Banks on behalf of the Company	11,117.78	7206.51
Corporate Guarantee given on behalf of Subsidiary	NIL	331.85
Disputed demands in respect of VAT/Custom Duty (Based on legal opinion, the Company does not feel any liability will arise and hence no provision has been made in the accounts.)	649.12	634.20

As per our report of even dated attached

FOR M/s. B. V. DALAL & CO.

Firm Reg. No.: 114214W

CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors

of Compuage Infocom Limited

MANORI S SHAH

Partner

Membership No. : 104640

G S GANESH

Director

BHAVESH H. MEHTA

Whole Time Director

ATUL H. MEHTA

Chairman & Managing Director

Place : Mumbai

Dated : 2nd May 2017

SUNIL MEHTA

CFO

DISHA SHAH

Company Secretary

Consolidated Notes to Financial Statements

for the year ended 31st March 2017

NOTE 3. SHARE CAPITAL

Particulars	₹ in Lakh	
	31 st March 2017	31 st March 2016
AUTHORIZED		
96270000 Equity Shares of ₹ 2/- each (Previous year : 19254000 Equity shares of ₹ 10/- each)	1,925.40	1,925.40
4665600 Preference Shares of ₹ 0.10 (Ten paise) each	4.67	4.67
3369344 Preference Shares of ₹ 10/- each	336.93	336.93
	2,267.00	2,267.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
58739995 Equity Shares of ₹ 2/- each fully paid (Previous year : 11747999 Equity shares of ₹ 10/- each fully paid) (Note : Value of Equity shares is ₹ 11,74,79,990/-)	1,174.80	1,174.80
Total	1,174.80	1,174.80

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

	31 st March 2017		31 st March 2016	
	No.	Amount	No.	Amount
At the beginning of the period	117.48	1,174.80	66.55	665.50
Add : Bonus Shares issued	-	-	39.93	399.30
Add : Preferential Allotment	-	-	11.00	110.00
Add : Shares split from face value of ₹ 10/- to face value of ₹ 2/-	469.92	-	-	-
Outstanding at the end of the period	587.40	1,174.80	117.48	1,174.80

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- per Share. Each holder of Equity Shares is entitled to one vote per share.

The Final Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2017, the amount of per share final dividend proposed as distribution to the Equity Shareholders is ₹ 0.40 (31st March 2016 : ₹ 2.00)

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

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

Equity Shares of ₹ 2/- each fully paid up (Previous year : Equity Shares of ₹ 10/- each fully paid up)	31 st March 2017		31 st March 2016	
	No. of Shares in Lakh	% of holding	No. of Shares in Lakh	% of holding
BHAVESH HARKISHANDAS MEHTA	142.44	24.25%	28.49	24.25%
ATUL HARKISHANDAS MEHTA	142.44	24.25%	28.49	24.25%
AJAY HARKISHANDAS MEHTA	76.24	12.98%	15.25	12.98%
KITARA INDIA MICRO CAP GROWTH FUND	55.00	9.36%	11.00	9.36%

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

NOTE 4. RESERVES & SURPLUS

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Capital Reserve	134.84	134.84
2	Capital Redemption Reserve	129.72	129.72
3	Share premium	2,109.85	2,109.85
4	General Reserve	35.38	35.38
5	Foreign Currency Translation Reserve		
	Balance as per last financial statements	(29.23)	(7.90)
	Add: Profit/(Loss) for the year	(2.24)	(21.33)
		(31.47)	(29.23)
	Surplus/(Deficit) in the Statement of Profit & Loss		
	Balance as per last financial statements	6,530.71	5,845.33
	Add: Profit for the year	1,762.64	1,490.57
	Less: Appropriations :		
	Bonus Share Issued	-	(399.30)
	Dividend for Financial year 2014-2015	-	(101.86)
	Dividend Tax for Financial year 2014-2015	-	(21.24)
	Proposed final equity dividend - ₹ 0.40 per share (31 st March 2016: ₹ 2.00)	(234.96)	(234.96)
	Tax on proposed final equity dividend	(47.83)	(47.83)
		8,010.56	6,530.71
	Total (1+2+3+4+5)	10,388.88	8,911.27

NOTE 5. LONG TERM BORROWINGS

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
	Term Loans		
	Indian rupee loan from bank (Secured)	1,750.00	-
	Finance lease obligations	29.59	-
	Total	1,779.59	-

Indian rupee loan from bank carries interest @ 11.15% p.a. The loan is repayable in 20 equal quarterly installments commencing from November 2016. Interest is to be paid as and when debited, i.e on a monthly basis. Term loan is secured by hypothecation of office premises. Further the loans have been guaranteed by the Personal Guarantee of the Managing Director and by Whole Time Director of the Company.

NOTE 6. DEFERRED TAX LIABILITIES (NET)

		₹ in Lakh	
Sr. No	Particulars	31 st March 2017	31 st March 2016
1	Difference in Book & Income Tax Depreciation Under IT Act 1961	775.30	740.34
2	Loss Carried forward under IT Act,1961 Total Timing Difference	775.30	740.34
	Total	268.32	244.78

NOTE 7. SHORT TERM BORROWINGS

Sr. No	Particulars	₹ in Lakh	
		31 st March 2017	31 st March 2016
1	Cash credit from bank (secured)-net of debit balances	16,906.02	16,708.85
2	Loans & Advances from Related Parties repayable on demand (Unsecured)	2,844.65	2,327.05
3	Loans & Advances from Others repayable on demand (Unsecured)	10,932.09	10,260.77
	Total	30,682.76	29,296.67

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

The cash credit is repayable on demand and carries interest @ 9.5% to 11%.

NOTE 8. TRADES PAYABLE

Sr. No	Particulars	₹ in Lakh	
		31 st March 2017	31 st March 2016
1	Dues to Micro, Small & Medium Enterprises	-	-
2	Others (Net of Advances)	46,511.68	26,316.90
	Total	46,511.68	26,316.90

NOTE 9. OTHER CURRENT LIABILITIES

Sr. No	Particulars	₹ in Lakh	
		31 st March 2017	31 st March 2016
1	Current maturities of Long Term Debt	517.85	96.73
2	Others		
	TDS payable	313.67	1,266.69
	Unpaid Dividend	18.21	13.91
	Other payable (Unsecured)	2,292.43	1,343.55
	Total	3,142.16	2,720.88

NOTE 10. SHORT TERM PROVISIONS

Sr. No	Particulars	₹ in Lakh	
		31 st March 2017	31 st March 2016
1	Provision for Income Tax (Net of Advance Tax paid)	21.02	100.58
2	Provision for Gratuity	10.00	7.50
3	Proposed Equity Dividend	234.96	234.96
4	Provision for tax on proposed Equity Dividend	47.83	47.83
	Total	313.81	390.87

10

COMPUAGE INFOCOM LIMITED

NOTE 12. NON CURRENT INVESTMENT

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Non-Trade Investments(Unquoted)		
Investment in Equity Instrument		
115416 Equity Shares of Bombay Mercantile Co- Op. Bank Ltd of ₹ 30 each	34.62	34.62
Total	34.62	34.62

NOTE 13. OTHER NON CURRENT ASSETS

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Non-Current Bank Balances (Secured)	52.78	52.20
Total	52.78	52.20

NOTE 14. CURRENT INVESTMENTS

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
2,50,625.851 units of Birla Sun Life Cash Manager-Weekly Dividend Mutual Fund (Previous year 2,50,408.189 units of Birla Sun Life Cash Manager- Weekly Dividend Mutual Fund)	251.77	251.53
Total	251.77	251.53

NOTE 15. INVENTORIES

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Stock-in-Trade (Valued at lower of cost and net realisable value) (As taken, valued and certified by a Director)	33,488.60	25,430.42
Total	33,488.60	25,430.42

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Details of Stock-in-trade		
Computer Components	28,701.29	22,252.46
Computer Softwares	1,992.62	1,858.57
Telecom Products	2,794.70	1,319.40
Total	33,488.60	25,430.42

NOTE 16. TRADE RECEIVABLES

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Unsecured considered good unless otherwise stated		
Outstanding for more than six months from the date they are due for payment		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good (Net)	645.68	580.43
Others		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good (Net)	43,046.73	26,471.03
Total	43,692.41	27,051.46

NOTE 17. CASH & BANK BALANCES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Cash and Cash Equivalents		
Balances with banks:		
On Current Accounts	1,785.02	2,086.55
In Unpaid Dividend Account	18.21	13.91
Cash on hand	5.31	14.49
Cheque on hand	1,665.00	580.00
Deposits with original maturity less than 3 months	239.04	900.00
Sub Total(1)	3,712.58	3,594.95
Other Bank Balances		
Deposits with original maturity for more than 12 months	480.46	350.18
Deposits with original maturity for more than 3 months but less than 12 months	6,077.53	5,600.95
Sub Total(2)	6,557.99	5,951.13
Amount disclosed under Non-Current Assets	(52.78)	(52.20)
Total [1+2]	10,217.79	9,493.88

NOTE 18. SHORT TERM LOANS AND ADVANCES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Advances recoverable in cash or kind		
Loans and advances to others (Unsecured considered good)	1,281.90	1,164.45
Amount Due from Holding Co.		
Others		
Loans and Advance to Employees	36.85	89.24
Unjust Enrichment	86.15	86.15
SAD/VAT Receivable/Cenvat available	1,628.18	1,807.11
Total	3,033.08	3,146.95

NOTE 19. OTHER CURRENT ASSETS

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Accruals		
Interest accrued on Deposits	139.49	222.13
Total	139.49	222.13

NOTE 20. REVENUE FROM OPERATIONS

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Sales of products		
Traded goods	354,471.68	310,060.05
Sale of services	661.30	669.74
Total	355,132.98	310,729.79

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Details of Product Sold:		
Computer Components	271,131.02	240,392.04
Computer Softwares	27,679.11	29,957.51
Telecom Products	55,661.55	39,710.50
Total	354,471.68	310,060.05
Details of Services rendered:		
(i) Product Support Services	661.30	669.74
Total	661.30	669.74

NOTE 21. OTHER INCOME

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Interest income on		
Bank deposits	488.82	393.21
Others	942.36	521.02
Other Income	-	4.77
Interest on IT Refund	-	42.52
Dividend Income	12.74	8.92
Capital Gains	0.04	-
Forex Exchange Gain/Loss	466.58	-
Other Income	4.45	-
Total	1,914.99	970.44

NOTE 22. DETAILS OF PURCHASE OF TRADED GOODS/SERVICES

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Computer Components	268,913.03	235,257.57
Computer Softwares	26,312.94	30,884.73
Telecom Products	55,633.09	38,295.66
Total	350,859.06	304,437.95

NOTE 23. (INCREASE)/DECREASE IN INVENTORIES

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Inventories at the end of the year		
Traded goods	33,488.60	25,430.42
Inventories at the beginning of the year		
Traded goods	25,430.42	20,867.69
Total	(8,058.18)	(4,562.73)

NOTE 24. EMPLOYEE BENEFITS EXPENSE

		₹ in Lakh
Particulars	31 st March 2017	31 st March 2016
Salaries & Bonus	3,012.90	2,401.65
Contribution to provident and other fund	73.56	61.66
Gratuity	24.61	7.48
Staff Welfare	173.69	123.49
Total	3,284.76	2,594.28

NOTE 25. OTHER EXPENSES

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Rent and compensation	683.47	639.67
Power & Fuel	70.07	71.36
Insurance	285.96	157.91
Payment to Auditors-(Refer details below)	23.68	20.69
Rates & Taxes	81.57	52.44
Foreign Exchange loss (Net)	-	555.68
Miscellaneous expenses	2,213.58	1,626.21
Total	3,358.33	3,123.96

Payment to Auditor

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Audit fees	15.18	14.19
Taxation matters	5.00	4.00
Other services	3.50	2.50
Total	23.68	20.69

NOTE 26. FINANCIAL COST

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Interest	4,490.58	3,428.87
Total	4,490.58	3,428.87

NOTE 27. DEPRECIATION & AMORTISED COST

₹ in Lakh		
Particulars	31 st March 2017	31 st March 2016
Depreciation on Tangible Assets	344.29	450.23
Total	344.29	450.23

Notice

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Compuage Infocom Limited will be held on Saturday 23rd day of September, 2017 at 10:00 A.M. at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, next to Girnar Tower, Mumbai – 400034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2017 and the reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March 2017.
3. To appoint a Director in place of Mr. Atul H. Mehta (DIN: 00716869), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Bhogilal C. Shah and Co., Chartered Accountants, Mumbai, having ICAI Firm Registration No. 101424W, be and is hereby appointed as Statutory Auditors of the Company to hold office for 5 consecutive years from the conclusion of 18th Annual General Meeting (AGM) till the conclusion of 23rd AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, re-imbursement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company, etc., as may be mutually agreed between the Audit Committee of the Company and the Auditors.”

5. **To appoint Branch Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the

Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company be and are hereby authorised to appoint Branch Auditors, AAA Assurance PAC, Public Accountants and Chartered Accountants, Singapore, having Co. Registration No.201408818E to audit the accounts in respect of the Company's branch office located at Singapore and to fix their term and conditions of appointment and remuneration, plus taxes, as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the branch office outside India for the year ending 31st March 2018 as may be mutually agreed upon by the Board of Directors and the Accountants.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Atul H. Mehta (DIN: 00716869) as Managing Director of the Company for a period of three years with effect from 08th September 2017, at such remuneration, upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration in such manner as may be agreed between the Board of Directors and Mr. Atul H. Mehta.

RESOLVED FURTHER THAT the remuneration payable to Mr. Atul H. Mehta, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and Remuneration Committee or Director(s) to give effect to the aforesaid resolution."

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

"**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Bhavesh H. Mehta (DIN: 00740861) as Whole-time Director of the Company for a period of three years with effect from 18th October 2017, at such remuneration, upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration in such manner as may be agreed between the Board of Directors and Mr. Bhavesh H. Mehta.

RESOLVED FURTHER THAT the remuneration payable to Mr. Bhavesh H. Mehta, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and

Remuneration Committee or Director(s) to give effect to the aforesaid resolution."

8. **Shareholder request on service of documents and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 20 of the Companies Act, 2013 and the rules made thereunder (hereinafter referred to as 'the Act'), consent of the Members be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier at their registered address or by such electronic or other mode as prescribed under the Act and desired by Member(s), from time to time.

RESOLVED FURTHER THAT upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in the requested mode.

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

By order of the Board
For **Compuage Infocom Limited**,
Sd/-

Mumbai, 14th August 2017

Disha Shah
Company Secretary

Registered Office:

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Corporate Members intending to send their Authorized Representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

Pursuant to Section 105, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

3. The Register of Members and the Share Transfer Books of the Company will remain close from Saturday, 16th September 2017 to Saturday, 23rd September 2017 (both days inclusive) for the purpose of declaration of dividend, if any, approved by the Members.
4. The Dividend for the year ended 31st March 2017 as recommended by the Board, if approved by the Members at the Annual General Meeting will be paid on or after 24th September 2017 to those members whose names appear in the Company's Register of Members on 15th September 2017. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
5. Details under Regulation 36 of the SEBI (LODR) Regulations, 2015, with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. Electronic copy of the 18th Annual Report 2016-17, inter alia, indicating the process and manner of e-voting along with the Proxy Form is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication

purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their email address, physical copies of the Notice of the 18th Annual Report 2016-17, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form has been sent in the physical mode.

7. Members are requested to :-
 - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2017, so as to enable the Company to keep the information ready.
 - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.

Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
 - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
 - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
 - v. Approach the R&TA of the Company for consolidation of folios.
 - vi. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).
 - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Link Intime India Private Limited upto the date of book closure.
8. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the

LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai - 400 083.

Company for the payment of dividend. The Company or its Registrar and Transfer Agent, LINK INTIME INDIA PRIVATE LIMITED cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

9. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited and applicable listing fees have been paid upto date.
10. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
11. Pursuant to the provisions of Section 123 of the Companies Act, 2013 and Section 205A of the Companies Act, 1956, the following dividends which remain unpaid and unclaimed for a period of seven years will be due for transfer to the Investor Education and Protection Fund (IEPF or Fund) of the Central Government:

Dividend	Date of declaration of Dividend	Due date for transfer to IEPF
2009-10 (Final)	14.08.2010	13.09.2017
2010-11 (Final)	29.07.2011	26.09.2018
2011-12 (Interim)	11.11.2011	01.09.2018
2011-12 (Final)	30.08.2012	28.10.2019
2013-14 (Final)	23.08.2014	21.10.2021
2014-15 (Final)	25.09.2015	23.11.2022
2015-16 (Final)	24.09.2016	29.11.2023

Shareholders who have not encashed the dividend draft(s) are requested to return the unclaimed/unpaid dividend draft(s) for revalidation or write to the Company's Registrar & Share Transfer Agent at the above address to obtain duplicate dividend draft immediately.

12. Members are requested to note that the dividend which remains Unclaimed / Unpaid for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 125 of the Companies Act, 2013 (Section 205A & 205 C of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund (IEPF).
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to

their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form shall submit their PAN details to Link Intime India Private Limited.

14. Members may also note that the electronic copy of the Notice of the 18th Annual General Meeting and the Annual Report 2017 will be available on the Company's website, www.compuageindia.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us: investors.relations@compuageindia.com
15. Voting through Electronic means:
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on Wednesday, 20th September 2017 (9:00 am) and ends on Friday, 22nd September 2017 (5:00 pm). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

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

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

Resolution/ Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bhattivirendra1945@gmail.com or bhattivirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of 18th AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the 18th AGM:

EVEN	USER ID	PASSWORD/PIN
(Remote e-voting Even Number)		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th September 2017.

X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th August 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset

your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Virendra G. Bhatt, Practicing Company Secretary, (C.P. No.124) has been appointed for as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is

to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.compaugeindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:

Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Atul H. Mehta is liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible offers himself for re-appointment. Re-appointment at the AGM as a Director retiring by rotation would not constitute break in his appointment as Managing Director.

Mr. Atul H. Mehta was inducted on the Board of the Company as a Managing Director w.e.f. 8th September 2014. He holds vast industry experience and has overall knowledge in managing the Company strategically, handling operational responsibility for the entire portfolio of the Company's offerings. He promotes team management, encourages talent management and leadership development, builds client relationship management. His religious 30 years dedication has took this Company to new scales and his future outlook will help in shaping the Company's growth.

He is a Bachelor of Commerce Graduate from University of Mumbai, India and completed Masters in Business Administration with specialization in Finance from University of Portland, USA.

He is not on the Board of any other listed entity. He holds 14243870 Equity Shares of the Company comprising to 24.25% of the paid up capital. He is one of the members of Stakeholder Relationship Committee of Compauge Infocom Limited. He is a brother of Mr. Bhavesh H. Mehta, Whole-time Director of the Company. Upon his re-appointment as a Director, Mr. Atul H. Mehta shall continue to hold office as a Managing Director. In view of the above, the Board recommends his re-appointment.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 6:

The current tenure of Mr. Atul H. Mehta as Managing Director ceased on 07th September 2017. The Board of Directors of the Company (the 'Board'), at its meeting held on 14th August 2017 has, subject to the approval of Members, re-appointed Mr. Atul H. Mehta as Managing Director, for a period of 3 (three) years commencing from 08th September 2017 to 07th September 2020, at the remuneration recommended by the Nomination and Remuneration Committee (the 'N&R Committee') of the Board at a remuneration which shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

The Company has received request from Mr. Atul H. Mehta proposing his candidature to act a Managing Director of the Company. He has consented in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimated in Form DIR-8 that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013.

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

EMOLUMENTS

A. BASIC SALARY

The basic salary shall be Rs.1,68,00,000/- p.a. (Rupees One Crore Sixty Eight Lakh only)

B. PERQUISITES

In addition to the remuneration as stated above, Mr. Atul H. Mehta shall be entitled, as per Rules of the Company, to perquisites like:

- a. Provident Fund:
Contribution to the Provident Fund shall be as per the rules of the Company.
- b. Gratuity:
Payable in accordance with the rules of the Company but at a rate not exceeding half month's basic salary for each completed year of service.
- c. Leave Encashment:
Encashment of leave at the end of his tenure as per policy of the Company.
- d. House rent allowance, general allowance, club fees, group personal accident insurance, group mediclaim and group term insurance shall be as per Company's policy.
- e. Car(s) and telephone(s) will be provided at residence for official use. The Company shall bill personal long

distance calls on telephone to the said Managing Director.

The aforesaid perquisites will be subject to tax as per prevailing Income Tax Rules. The basic salary stated above will be inclusive of the value of the perquisites stated at points 'd' and 'e', if provided.

The period of office of Mr. Atul H. Mehta shall be liable to determination by retirement of directors by rotation. If he is re-appointed as a Director, immediately on retirement by rotation he shall continue to hold office of Managing Director, designated and such re-appointment as Director shall not be deemed to constitute break in his appointment as a Managing Director. He shall be eligible to stock options, if any.

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

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

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

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

A copy of the agreement regarding appointment of Managing Director is available for inspection by any Member of the Company at the Registered Office of the Company during 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

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

Except Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta, none of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in this resolution.

He holds a Bachelor of Commerce degree from India, University of Mumbai and Masters in Business Administration with specialization in finance from University of Portland, USA. He possesses vast industry experience and has overall knowledge in managing the Company strategically, handling operational responsibility for the entire portfolio of the Company's offerings. Today, under his leadership CIL has established itself as a leading IT & Telecom Distribution Company in India.

Mr. Atul H. Mehta, has been receiving remuneration of Rs.1,68,00,000/- for past three years as approved by the Members via Postal Ballot dated 21st January 2017, results declared on 24th January 2017. The Nomination and Remuneration Committee alongwith Board of Directors is of the view that the proposed remuneration is commensurate to his profile and portfolio, size of the Company, etc.

Mr. Atul H. Mehta plays pivotal role in taking the Company to new scales with each passing day. Hence, the Company is seeking shareholders' approval to pay minimum remuneration to him in the form of salary, perquisites and other benefits. The shareholders may also please note that the remuneration that has been approved by the Nomination and Compensation Committee and the Board as minimum remuneration in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, read with rules framed thereunder and Schedule V of the said Act for his ensuing tenure as Managing Director after taking into account the more than 30 years of experience and expertise of Mr. Atul H. Mehta and also the industry pay scale for similar sized companies.

Your Directors recommend the Ordinary Resolution at point no. 6 as set out in the accompanying Notice for the approval of the Members

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

ITEM NO. 7:

The current tenure of Mr. Bhavesh H. Mehta as Whole-time Director ceased on 17th October 2017. The Board of Directors of the Company (the 'Board'), at its meeting held on 14th August 2017 has, subject to the approval of Members, re-appointed Mr. Bhavesh H. Mehta as Whole-time Director, for a period of 3 (three) years commencing from 18th October 2017 to 17th October 2020, at the remuneration recommended by the Nomination and Remuneration Committee (the 'N&R Committee') of the Board at a remuneration which shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

The Company has received request from Mr. Bhavesh H. Mehta proposing his candidature to act a Whole-time

Director of the Company. He has consented in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and also intimated in Form DIR-8 that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013.

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

EMOLUMENTS

A. BASIC SALARY

The basic salary shall be Rs.1,68,00,000/- p.a. (Rupees One Crore Sixty Eight Lakh only)

B. PERQUISITES

In addition to the remuneration as stated above, Mr. Bhavesh H. Mehta shall be entitled, as per rules of the Company, to perquisites like:

- a. **Provident Fund:**
Contribution to the Provident Fund shall be as per the rules of the Company.
- b. **Gratuity:**
Payable in accordance with the rules of the Company but at a rate not exceeding half month's basic salary for each completed year of service.
- c. **Leave Encashment:**
Encashment of leave at the end of his tenure as per policy of the Company.
- d. **House rent allowance, general allowance, club fees, group personal accident insurance, group mediclaim and group term insurance shall be as per Company's policy.**
- e. **Car(s) and telephone(s) will be provided at residence for official use. The Company shall bill personal long distance calls on telephone to the said Whole-time Director.**

The aforesaid perquisites will be subject to tax as per prevailing Income Tax Rules. The basic salary stated above will be inclusive of the value of the perquisites stated at points 'd' and 'e', if provided.

The period of office of Mr. Bhavesh H. Mehta shall be liable to determination by retirement of Directors by rotation. If he is re-appointed as a Director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director, designated and such re-appointment as Director shall not be deemed to constitute break in his appointment as a Whole-time Director. He shall be eligible to stock options, if any.

The Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and/or

remuneration, subject to the same not exceeding the limits specified under Section 197 of the Act read with Schedule V of the Companies Act, 2013.

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

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

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

A copy of the agreement regarding appointment of Whole-time Director is available for inspection by any Member of the Company at the Registered Office of the Company during 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

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

Except Mr. Atul H. Mehta and Mr. Bhavesh H. Mehta, none of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in this resolution.

He is a B. Com Graduate holding Master's degree in Commerce with a specialization in marketing with expertise in the areas of Operations and Supply Chain Management. His experience of more than 21 years in the IT industry has led to growth of the business. He has taken many challenging roles and responsibilities for driving growth in the Company which includes constant endeavor to improve the systems and process, enhancing productivity and bringing new relationships on the table for the Company.

Mr. Bhavesh H. Mehta, has been receiving remuneration of Rs.1,68,00,000/- for past three years as approved by the Members via Postal Ballot dated 21st January 2017, results declared on 24th January 2017. The Nomination and Remuneration Committee alongwith Board of Directors is of the view that the proposed remuneration is commensurate to his profile and portfolio, size of the Company, etc.

Considering his continued contribution and importance in the Company, Shareholders' approval is sought to pay minimum remuneration to him in the form of salary, perquisites and other benefits. The shareholders may also please note that the remuneration that has been approved by the Nomination and Compensation Committee and the Board as minimum remuneration in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, read with rules framed thereunder and Schedule V of the said Act for his ensuing tenure as Whole-time Director.

Your Directors recommend the Ordinary Resolution at point no.7 as set out in the accompanying Notice for the approval of Members.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

ITEM NO. 8:

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the Company at its Annual General Meeting ('AGM').

Accordingly, consent of the Members is sought for passing the Ordinary Resolution as set out in Item No. 8 of the notice relating to serving the documents including financial statements to the Members of the Company in a requested mode. In view of this, the Board of Directors recommend the resolution as set out in Item No. 8 of the Notice for approval by the Members of the Company by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

By order of the Board
For **Compugae Infocom Limited**,
Sd/-
Disha Shah
Company Secretary

Mumbai, 14th August 2017

ROUTE MAP





Speed
Reliability
Value Performance

COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com | Website: www.compuageindia.com

E-COMMUNICATION REGISTRATION FORM

To,
LINK INTIME INDIA PRIVATE LIMITED
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai - 400 083.

REF: Green Initiative in Corporate Governance

Dear Sir/Madam,

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

Folio No. : _____
DP ID : _____
Client ID : _____
PAN : _____
Name of 1st Registered Holder : _____
Name of Joint Holder(s) : _____
Registered Address : _____
E-mail ID : _____
Date : _____
Signature of the first holder : _____

Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.
- 2) The form is also available on the website of the Company www.compuageindia.com
- 3) Shareholders are also requested to keep RTA informed as and when there is any change in the e-mail address.

Unless the email Id given above is changed by you by sending another communication in writing, the RTA will continue to send the notices/documents to you on the above mentioned e-mail ID.



Speed
Reliability
Value Performance

COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com | Website: www.compuageindia.com

Form No. MGT-11 Proxy Form

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

CIN : L99999MH1999PLC135914
Name of the Company : COMPUAGE INFOCOM LIMITED
Registered office : D-601/602 & G-601/602, Lotus Corporate Park, Graham Firth Steel Compound, Western Express Highway, Goregaon (East), Mumbai – 400 063.

Name of the Member(s)	:	
Registered address	:	

E-mail Id:	Folio No/ Client Id:	DP ID:

I / We, being the Member(s) of _____ shares of the above mentioned Company, hereby appoint

- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him/her
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him/her
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Eighteenth Annual General Meeting of the Company, to be held on Saturday, 23rd day of September, 2017 at 10:00 A.M. at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Mumbai- 400034 thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.	Particulars of resolution
1.	Adoption of Financial Statements for the year ended 31 st March 2017
2.	To declare a dividend on Equity shares
3.	To appoint a Director in place of Mr. Atul H. Mehta (DIN: 00716869), who retires by rotation and being eligible, offers himself for re-appointment
4.	To re-appoint M/s. Bhogilal C. Shah and Co., Chartered Accountant (Firm Registration No. 101424W) as the Statutory Auditors of the Company and fix their remuneration
5.	To appoint Branch Auditors and fix their remuneration.
6.	To re-appoint Mr. Atul H. Mehta (DIN: 00716869) as Managing Director
7.	To re-appoint Mr. Bhavesh H. Mehta (DIN: 00740861) as a Whole-time Director
8.	To consider Shareholders' request on service of documents

Signed this _____ day of _____ 2017

Signature _____

Signature of Proxy holder _____

Affix a One
Revenue
Rupee
Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.



Speed
Reliability
Value Performance

COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com | Website: www.compuageindia.com

ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting of the Company held on Saturday, 23rd September 2017 at 10.00 A.M.
at Victoria Memorial School for Blind, Tardeo Road, Opp. Film Centre, Mumbai- 400034.

Folio No. : _____

DP ID : _____

Client ID : _____

Name of the Member : _____

Signature of the Member : _____

Name of the Proxyholder : _____

Signature of the Proxyholder : _____

Notes:

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



Compuage in News





*Speed
Reliability
Value Performance*

COMPUAGE INFOCOM LIMITED

www.compuageindia.com

If undelivered, please return to:

COMPUAGE INFOCOM LIMITED

CIN: L99999MH1999PLC135914

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

Tel: 022-6711 4444. Fax: 022-6711 4445

Email: investors.relations@compuageindia.com